**TOWARDS NECTA 2020.**

# BOOKKEEPING
## FORM FOUR 2020

**1 NAME……………………………………… DATE……………………**

**Time: 3HRS**

***INSTRUCTIONS:***

1. This paper consists of three sections A, B and C with 7 printed pages
2. Answer all questions from section A and B and only three(3) questions from section c.

## SECTION A (20 Marks)

1. For each of the following items (i) – (x), choose the correct answer from among the given alternatives and write its letter beside the item number in the space provided.

i) An error caused by debiting Mahela's account instead of Mashela's account is called
- A Compensating error
- B error of omission
- C error of commission
- D error of complete reversal
- E error of original entry

ii) Which of the following expenditure the government receives no value?
- A Nugatory expenditure
- B Recurrent expenditure
- C Statutory expenditure
- D Development expenditure
- E Recurring expenditure

iii) What is meant by book keeping?
- A An art of recording cash transactions
- B An art of recording bank transactions
- C An art of recording cash and credit transactions
- D An art of recording credit transactions
- E An art of recording business transactions

iv) Items introduced by the owner in the enterprise is called
A Capital B assets C Liabilities D Loans E Debtors

v) In government accounting a term family is referred to
- A wife and children
- B father, wife and children
- C all relatives
- D mother, father, wife and children
- E mother, wife and children

vi) Supplier's personal accounts are found in the
A nominal account B general account C Purchases account
D sales account E private account

vii) When depositing money in the current account you should always use
A a cheque book B a pay-in slip C a cash book
D a bank statement E a petty cash book

viii) The sales day book can be described as

A part of the double entry system B a book containing customer's account

C a book containing supplier's accounts D a book containing real accounts

D a list of credit sales

ix) A debit balance of TZS. 10,000 in the cash account shows that

A there was TZS. 10,000 cash in hand

B cash has been overspent by TZS. 10,000

C TZS. 10,000 was the total of cash paid out

D the total of cash received was less than TZS. 10,000

E sh. 10,000 cash has been lost

X) Determine the amount of capital from the following:

Assets: Premises shs 20,000/= loan to Anna 17000/= stock 35000/= liability: creditors 5000/= loan from Ray 22000/=

A 50500/=

B. 54000/=

C. 48000/=

D 45000/=

Xi) when there is no partnership agreement the profits and loss should be

A. Shared equally after charging interest on capital

B. Shared in the proportion of capital

C. Shared equally among the partners

D. Shared according to the ratio given.

Xii) The amount of opening stock can be ascertained by preparing

A. Memorandum trading account

B. Total creditor accounts

C. Statement of affairs

D. Balance sheet.

Xiii). The cost of borrowing money is colled

A. Tax

B. Interest

C. Duty

D. Price.

Xiv) . The following are the source of documents

A. Sales, credit note, cheque

B. Cheque, invoice, cheque paid

C. Credit note, debit note, cash

D. Invoice, cash receipts, debit note

XV). In partnership which of the following statement is correct?

A. Current account is used where fluctuating capital in use.

B. Fixed capital account is used where fixed capital is in use

C. Current account is used where fixed capital is in use

D. Fixed capital and current accounts it used when both both system in use.

2. Match the items in column A with the responses in column B

| Column A | | Column B |
|---|---|---|
| i) | The amount of resources invested in the business by the owner | A Tangible assets |
| | | B Capital expenditure |
| ii) | The properties belonging to the business | C Current assets |
| iii) | The properties acquired or created and held to the business permanently | D Revenue receipt |
| | | E Non-current assets |

| | | |
|---|---|---|
| iv) | The properties that one can touch and see | F Current liabilities<br>G Capita<br>H Long-term liabilities<br>I Assets<br>J Capital receipts<br>K. Liabilities<br>L Intangible assets |
| v) | The properties that have no body texture but also assist in the earning capacity of a business | |

## SECTION B (20 Marks)

Answer **all** questions in this section

3. a) Mention three use of a trial balance
   b) State three uses of a balance sheet
   c) Explain the rule used to prepare a balance sheet, giving an example in each case

4. a) Write short notes on the following terms
   i) Accrued expenses
   ii) Prepaid expense
   iii) Bad debt
   iv) Provision for depreciation
   v) Control account

   b) From the following transaction show action to take in recording the accounts in the double entry system

| | Transaction | Account to be debited | Account to be credited |
|---|---|---|---|
| (i) | Owner put cash into business | | |
| (ii) | Paid a creditor, L. Lihimba by cheque | | |
| (iii) | Bought goods on credit from M. Wamilika | | |
| (iv) | A debtor Chihamoto paid us in cash | | |
| (v) | Received cash for rent | | |
| (vi) | Owner withdraws cash from business for personal use | | |
| (vii) | Paid commission by cheque | | |
| (viii) | Bought furniture on credit from Mtile | | |
| (ix) | Sold goods for cash | | |
| (x) | Bought goods paying in cash | | |

5. The details below related to Simba sport club for subscription from the members for the month of January 2020

2020,31december Subscription inadvance was 44500/=

While subscription in arreas was 28500/=

During the month of January subscription received amounted 85500/=

For the month ended 31january 2020.subscription owing was 15500 prepaid subscription was 11000/=
Subscription written off as bad debt's amounted 8500/=
Required: i)shows account for simba sport club`s subscription for the month of 31january2020.
ii).if each member contribute 90/= per month. How many contribute for the month of January.?

**SECTION C (60 Marks)**

Answer **all** questions in this section

6 From the following transactions prepare the suspense account and pass the journal entries to rectify the following errors. Assuming that at the end of the trading period it was discovered that there was a deference of TZS. 35,670 which was debited to the suspense account

(a) TZS. 17,500 paid in cash for a new electronic typewriter had been charged to office expenses account
(b) Drawings amounting to TZS. 12,500 by cheque were completely omitted from the books.
(c) A purchase of goods from M. Katanga for TZS. 25,000 were credited to the account of M. Kaniki
(d) Sales of goods worth TZS. 9,600 made to Mashaka yanini account was correctly entered in the sales day book but was posted to Mashaka yanini account as TZS. 10,600 while total sales of the month were overcastted by TZS. 1,000
(e) Goods purchased from Catherine Mitumba & sons for TZS. 15,050 recorded in the purchases day book from the invoice as TZS. 15,500 and posted to the purchases account and Catherine Mitumba & Sons in the ledger accordingly.
(f) A cash purchases of tools TZS. 12,300 from Goodone hardware, a supplier, were entered in the cash book only
(g) A page in the purchases book was overcastted by shs.12,000
(h) The sales account was undercasted by TZS. 4,000
(i) The petty cash book balance of TZS. 7,100 were omitted from the trial balance
(j) M. Majura was credited with TZS. 7,740 instead of TZS. 7,470
(k) A sale of TZS. 14,000 was incorrectly credited to H. kasoga, a debtor
(l) A payment of TZS. 9,200 made for carriage on purchases was posted to carriage outwards account
(m)A cash discount of TZS. 2,000 allowed to a debtor was correctly posted to his account but was credited to discount received account

7 a) From the following information, prepare a statement of manufacturing for the the year ended 31st December 2019for the firm of Majohe Limited

| | TZS |
|---|---|
| 1st January 2019. Inventory of raw materials | 80,000 |
| 31st December, 2019Inventory of raw materials | 105,000 |
| 1st January 2019 Work- in-progress | 35,000 |
| 31st December 2019 Work-in-progress | 42,000 |
| **Transactions during the year:** | |
| Wages: Direct | 396,000 |
| Indirect | 255,000 |
| Purchases of raw material | 870,000 |
| Fuel and power | 99,000 |

| | |
|---|---|
| Direct expenses | 14,000 |
| Lubricants | 30,000 |
| Rent of factory | 72,000 |
| Depreciation of factory plant and machinery | 42,000 |
| Internal transport expenses | 18,000 |
| Insurance of factory plant and machinery | 15,000 |
| General factory expenses | 33,000 |
| Carriage inwards on raw materials | 20,000 |

(b) From the following particulars extracted from the books of a trader, prepare total accounts receivable and total accounts payable for the year ended 30th November 2012

| **Balance on 1st January 2012:** | **TZS** |
|---|---|
| Sales - cash | 344,890 |
| - credit | 268,187 |
| Purchases -cash | 14,440 |
| - credit | 496,600 |
| | |
| Total receipt from customers | 600,570 |
| Total payment to suppliers | 503,970 |
| Discount allowed (all to credit customers) | 5,520 |
| Discount received (all from credit suppliers) | 3,510 |
| Refund given to cash customers | 5,070 |
| Balance in the sales ledger set off against balance in the purchases ledger | 70 |
| Bad debt written off | 780 |
| Increase in the allowance for doubtful debts | 90 |
| Credit note issued to credit customers | 4,140 |
| Credit note received from credit suppliers | 1,480 |

According to the audited financial statement for the previous year accounts receivable and accounts payable as at 1st December 2011 were TZS. 26,555 and TZS. 43,450 respectively

8 Mr. Oswald has been trading for some years as a wine merchant. The following list of balances has been extracted from his ledger book as on 30th April 2020, the end of his most financial year.

| | TZS |
|---|---|
| Capital | 83,887 |
| Sales | 259,870 |
| Trade creditors | 19,840 |
| Returns out | 13,407 |
| Provision for bad debts | 512 |
| Discount allowed | 2,306 |
| Discount received | 1,750 |
| Purchases | 135,680 |
| Returns inwards | 5,624 |
| Carriage outwards | 4,562 |
| Drawings | 18,440 |

| | | |
|---|---|---|
| Carriage inwards | | 11,830 |
| Rent, rates and insurance | 25,973 | |
| Heating and lighting | | 11,010 |
| Postage, stationary and telephone | | 2,410 |
| Advertising | 5,980 | |
| Salaries and wages | 38,521 | |
| Bad debts | | 2,008 |
| Cash in hand | | 534 |
| Cash at bank | | 4,440 |
| Stock at start | | 15,654 |
| Trade debtors | 24,500 | |
| Fixture and fittings at cost | | 120,740 |
| Provision for depreciation on furniture and fittings at 30th April 2013 | | 63,020 |
| Depreciation of fixture&fitting. 12,074 | | |

**The following additional information as on 30th April 2020 is also available**

a) Stock at close of business was valued at TZS 17,750
b) Insurance has been prepaid by TZS 1,120
c) Heating and lighting is accrued by TZS. 1,360
d) Rates have been prepaid by TZS 5,435
e) The provision for bad debt is to be adjusted so that it is 3% of trade debtors

Required: a) statement of income for the month ended 30th April, 2020
b) statement of financial position for the date

9. The following trial balance was extracted from the books of Veronica, Stephano and Mansury at 31 December 2009 (a Trading Account has already been prepared)

| | DEBIT | CREDIT |
|---|---|---|
| Capital Accounts: Veronica | | 30,000 |
| Stephano | | 20,000 |
| Mansury | | 10,000 |
| Current Account at 1 January 2009: Veronica | | 1,000 |
| Stephano | | 1,500 |
| Mansury | 500 | |
| Drawings for the year: Veronica | 6,000 | |
| Stephano | 4,000 | |
| Mansury | 5,000 | |
| Gross profit for year | | 35,000 |
| Expenses | 21,250 | |
| Fixed Assets | 55,000 | |

| | | |
|---|---|---|
| Current Assets | 24,375 | |
| Current liabilities | | 18,625 |
| | 116,125 | 116,125 |

**Required:**

The preparation of a Profit and loss Account and an Appropriation Account for the year ended 31 December 2009, together with a balance Sheet at that date, after taking the following matters into account:

1. Interest is to be allowed at 6 percent per annum on partners capital accounts.
2. Shs.2,500 is to be allowed as a salary to Mansury.
3. Profits and losses are to be shared between Veronica, Stephano and Mansury in the proportions of one half, one quarter and one quarter respectively.