

**INTERSECONDARY SCHOOLS EXAMINATION SERIES**

**ISESE**

**FORM FOUR PRE-NECTA No. 01**

**BOOK KEEPING**

**TIME: 3 HOURS**

**Wednesday 24<sup>th</sup> July 2024**

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**INSTRUCTIONS**

1. This paper consists of three sections A, B and C with a total of nine (9) questions.
2. Answer all questions in section A, B and C
3. Section A carries fifteen (15) marks, section B carries forty (40) marks and section C carries forty-five (45) marks.
4. Budget your time wisely.
5. Time allowed is 3:00 hrs

### SECTION A (15 MARKS)

Answer all questions in this section

1. For the each of the following items (i-x) choose the best correct answer from the given alternatives and write its letter beside the item number in the answer sheet.
  - i. Help Mr. Wakamoga an Auditor of Kwanza company to identify which among of the following errors will affect trial balance.
    - A. Payment to Samwel credited in Samwel's account
    - B. Payment to Samwel debited to Somoe's account
    - C. Payment to Samwel was not recorded
    - D. Payment to Samwel was credited to Samwel and debited to bank account
    - E. Payment to Samwel was recorded with wrong amounts in the accounts.
  - ii. The purchases of typewriter on credit from Sylvester for resale should be recorded by:
    - A. Debit Typewriter Account, Credit Sylvester Account
    - B. Debit purchases Account, Credit Cash Account
    - C. Debit Purchases Account, Credit Sylvester Account
    - D. Debit Typewriter Account, Credit Cash Account
    - E. Debit Sylvester account, credit typewriter account
  - iii. Which term best describes the authorization granted by Mr. Mudau to NBC bank to pay monthly Azam subscriptions on his behalf?
    - A. Banking charges
    - B. Direct transfers
    - C. Standing cheque
    - D. Standing order
    - E. Direct credit
  - iv. How much should be reimbursed to Mwana a petty cashier at Deisire dispensary if she spent TZS. 230,000 during the month from TZS. 300,000 being received as a float from chief cashier?
    - A. TZS. 70,000
    - B. TZS. 230,000
    - C. TZS. 530,000
    - D. TZS 300,000
    - E. TZS. 500,000
  - v. A form one student at Nyangao secondary was given a task to prepare a trial balance. Help him to identify which among the following will not be recorded in his statement.
    - A. Carriage outward
    - B. Opening stock
    - C. Closing stock
    - D. Wages and salaries
    - E. Accounts payables
  - vi. A van was bought at a cost of TZS. 10,000, with a salvage value of TZS. 256 and useful life of four years. How much will be the value of depreciation in the second year if reducing balance method is applied?
    - A. TZS. 6,000
    - B. TZS. 2,400
    - C. TZS. 4,000
    - D. TZS. 9,600
    - E. TZS. 3,840
  - vii. Which among of the following will not be treated in the books of accounts as a contra entry?
    - A. A proprietor banked cash of TZS. 230,000
    - B. A proprietor cashed cheque of TZS. 230,000
    - C. A proprietor withdrew cash from bank TZS. 230,000 to pay a school fee
    - D. A proprietor withdrew cash TZS. 230,000 to buy a business stock
    - E. A proprietor took TZS. 230,000 from bank for business use

viii. A business has the cost of goods sold worth TShs. 150,000 and the mark-up of 40%. Calculate the amount of sales for the business

A. TShs. 210,000 B. TShs. 90,000 C. TShs. 102,000 D. TShs. 150,000 E. TShs 60,000

ix. In the statement of financial position, which of the following is treated as current assets?

A. Accrued expenses B. Prepaid subscription C. Owing expenses  
D. Accumulated depreciation E. Outstanding income

x. Which of the following is the meaning of the term Working Capital?

A. The amount of capital invested by a proprietor B. The excess of the current assets over the current liabilities C. The capital less drawings D. The total of fixed assets and current assets E. Net profit add drawings

2. Match the items in **Column A** with the responses in **Column B** by writing the letter of the correct response in the answer sheets provided.

Column A	Column B
i. The excess of sales over cost of goods sold	A. Margin
ii. The gross profit percentage of sales	B. Quick ratio
iii. The ratio of current assets to current liabilities	C. Markup
iv. The excess of cost of goods sold over sales	D. Gross profit
v. The gross profit as percentage of cost price	E. Cost of goods sold
	F. Gross loss
	G. Cost of goods available for sale
	H. Current ratio

### SECTION B (40 marks)

Answer **all** questions in this section

3. On 31<sup>st</sup> December 2008 N. Traders cash book balance showed a debit balance of Tshs. 420,000/= and bank statement showed a credit balance of Tshs. 396,000/=.

**The following transactions did not appear in the bank statement:**

- i. A cheque to Ngesa Tshs. 104,000/=
- ii. Cheque received from Nangasa Tshs. 100,000/=

**The items which did not appear in the cash book include:**

- i. Bank charges Tshs. 18,000/= and bank interest received Tshs. 15,000/=
- ii. Cash paid direct into bank account Tshs. 120,000/=
- iii. Standing orders-telephone charges Tshs. 145,000/=

**Using the information given:**

- a) Adjust the cash book to show the correct balance.
- b) Prepare bank reconciliation statement as at 31<sup>st</sup> December, 2008 by using balance as per adjusted cash book.

4. Angela is a form one student at Miembeni secondary school whoever she is in dilemma to go science or studying book keeping. Briefly elaborate to her on how book keeping would contribute in her life with relevant examples.

5. The following information was extracted from the final accounts of Mpambanaji business on 31<sup>st</sup> July, 2013.

Transactions during the year	Shs.
Sales	600,000
Purchases	260,000
Stock (1/8/2012)	72,000
Fixed assets	4,00,000
Current assets	180,000
Current liabilities	148,000
Total expenses	40,000
Stock (31/7/2013)	50,000

Calculate:

- i. Margin
- ii. Mark-up
- iii. Return on capital
- iv. Working capital ratio
- v. Rate of stock turnover

6. The following information was extracted from the books of Mwaishumo, the supplier of different secondary books and other stationery for the year 2015.

May 10. bought items from wholesalers Gresy:-

10 textbooks of commerce by dinnahkamasanyu @ 2,000/=

40 physics books (Oxford) for shs. 10,000/=

He received 2% cash discount from the wholesaler.

May 15. 2 textbooks of commerce by dinnahkamasanyu were returned at their original cost as a result of some of the missing pages.

May 21. Bought goods from Furahini books suppliers:-

5 mathematics books @ shs. 1,000

21 past papers @ shs. 100

2 dozens of note books @ shs. 200 per note book

He was entitled to a 2% discount as a result of buying in large quantity.

**Required:** Prepare respective books of original entry to record the above transactions.

### SECTION C (45 MARKS)

#### Answer all questions

7. The following trial balance was extracted from the books of MUHTAJ TAILORING MART at the close of business on 28 February 2017.

DrCr

Purchases and sales 92,800 157,165

Cash at bank 4,100

Cash in hand 324

Capital account 1st March 2006 11,400

Drawings 17,100

Office furniture 2,900

Rent 3,400

Wages and salaries 31,400

Discounts 820 160

Debtors and creditors 12,316 5,245

Stock 1 st March 2006 4,120

Provision for doubtful debts 1st March 2006 405

Delivery van 3,750

Van running costs 615

Bad debts written off 730

**174,375      174,375**

Notes:

a) Stock 28th February 2007 TZS. 2,400.

b) Wages and salaries accrued at 28th February 2007 TZS. 340.

c) Rent prepaid at 28th February 2007 TZS. 230.

d) Van running costs owing at 28th February 2007 TZS. 72.

e) Increase the provision for doubtful debts by TZS. 91.

f) Provide for depreciation as follows: Office furniture TZS. 380; Delivery van TZS. 1,250.

Required: Draw up an Income Statement for the year ending 28th February 2017 together with a statement of financial position as on 28th February 2017.

8. The following is a trial balance extracted from the books of Kamala at 31<sup>st</sup> December 2016 which did not balance and the difference placed in a suspense account.

DETAIL	Debit	Credit
Sales		23,850
Purchases	12,900	
Wages	951	
General expenses	210	
Fixtures	30,500	
Debtors and creditors	6,680	10,910
Cash in hand	20	

Cash at bank	1,510	
Kamala capital A/C		21,675
Kamala drawing A/C	700	
Suspense (difference in books)	2,964	
	<b>56,435</b>	<b>56,435</b>

On investigation the following errors were discovered:

- Purchase account in the ledger is under casted by TZS. 1,000/=
- Wages expenses balance was TZS. 915/=
- Sales to Irene Namaganda of TZS 1,500/= is correctly recorded in the sales journal but posted to her account in the sales ledger as TZS. 2,500/=
- Purchases of TZS. 2,000/= from J. Okello was recorded in the purchases journal but was not posted to his account in the purchases ledger.
- The opening balance of TZS. 25,000/= in the fixtures account is brought forward as TZS. 20,000/=

Required: a) Open a suspense account.

b) Pass journal entries for the correction of errors.

- (a)TUTU started business on 1<sup>st</sup> January, 2017 with a financial year ending on 31<sup>st</sup> December each year. The data of debtors, written off bad debtsand the estimated provision for doubtful debts at the end of the year is as given below.

Year to 31 <sup>st</sup> December	Debtors at the end of the year before bad debts written off.	Bad debts written off during the year	Provision for doubtful debts at the end of the year
	TZS	TZS	Percentage
2017	700,000	50,000	3%
2018	600,000	42,000	2%
2019	800,000	60,000	4%
2020	650,000	52,000	5%

Prepare: (a) Bad debts account

(b) Provision for doubtful debts

(c) Income statement

(d) Financial statement for the year ending 2020.

(b) In 2010 Mr. Mdogoo bought a motor car for the cost value of sh. 8,000,000/= with the aim of assisting him in business. But three years later he decided to dispose it for a book value of sh. 6,700,000/=.

- What is the term used to mean the difference between cost value and book value.
- Outline four reasons that could be the causes for him to dispose the car for less than the cost value.



**INTERSECONDARY SCHOOLS EXAMINATION SERIES**  
**ISESE TIME TABLE**  
**FORM TWO PRE – NATIONAL No.04**  
**20<sup>th</sup> – 30<sup>th</sup> September 2024**

DAY & DATE	MORNING SESSION (A.M)			AFTERNOON SESSION (P.M)		
	CODE NO.	SUBJECT	TIME	CODE NO.	SUBJECT	TIME
Friday 20/09/2024	013	Geography	8:00 – 10:30	011	Civics	2 : 00 - 4 :30
Monday 23/09/2024	033	Biology	8:00 – 10:30	021	Kiswahili	2 : 00 - 4 :30
Tuesday 24/09/2024	041	Basic mathematics	8:00 – 10:30	012	History	2 : 00 - 4 :30
Wednesday 25/09/2024	022	English language	8:00 – 10:30	032	Chemistry	2 : 00 - 4 :30
Thursday 26/09/2024	031	Physics	8:00 – 10:30			2 : 00 - 4 :30
Friday 27/09,2024	062	Book-keeping	8:00 – 10:30			2:00 – 4:30
Monday 30/09/2024c	061	Commerce	8:00 – 10:30			2:00 – 4:30

**KUSHIRIKI PRE-NECTA HIZI WASILIANA NA COORDINATOR 0624 254 757 (UNAWEZA KUSHIRIKI SOMO MOJA AMA ZAIDI)**



**INTERSECONDARY SCHOOLS EXAMINATION SERIES**  
**ISESE TIME TABLE**  
**FORM FOUR PRE – NECTA No.04**  
**20<sup>th</sup> – 30 September 2024**

DAY & DATE	MORNING SESSION (A.M)			AFTERNOON SESSION (P.M)		
	CODE NO.	SUBJECT	TIME	CODE NO.	SUBJECT	TIME
Friday 20/09/2024	011	Civics	8:00 – 11:00	022	English	2 : 00 - 5 :00
Monday 23/09/2024	033/1	Biology 1	8:00 – 11:00	012	History	2 : 00 - 5 :00
Tuesday 24/09/2024	041	Basic mathematics	8:00 – 11:00	021	Kiswahili	2 : 00 - 5 :00
Wednesday 25/09/2024	013	Geography	8:00 – 11:00	032/1	Chemistry 1	2 : 00 - 5 :00
Thursday 26/09/2024	031/1	Physics 1	8:00 – 11:00			2 : 00 - 5 :00
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