

**INTER SECONDARY SCHOOLS EXAMINATION SERIES**  
**ISESE**  
**FORM FOUR PRE-MOCK**  
**BOOK KEEPING MARKING GUIDE**

---

**SECTION A:**

**1. (10 Marks)**

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
A	D	A	D	D	B	A	A	B	C

**2. (5 Marks)**

COLUMN A	(i)	(ii)	(iii)	(iv)	(v)
COLUMN B	C	E	H	G	A

**SECTION B:**

3. (a) Book keeping: Art of recording financial business transaction in the set of books in terms of money or money worth. Or any other definition/explanation represented by a student.

(b) Double entry system: Is the book keeping principle of recording transactions twice in a book of account whereby the principle states that "every debit entry must have corresponding credit entry and every credit entry must have corresponding debit entry of the same amount.

(c) Business entity concept: Simply states that "A business and its owner are separate entities"

(d) Trial balance: Is a list of debit and credit balances as extracted from the ledgers. This checks the arithmetic accuracy of a double entry system.

(e) Discount allowed: Means reduction given when goods are sold for cash or cheque (bank). Also this is known as discount on sales, and it is a type of cash discount together with discount allowed.

**(5 items @ 2 Marks= 10 marks)**

4. (a)(i) Markup (Net profit)

Formula=  $\frac{\text{Net profit}}{\text{Cost of sales}}$

Net profit= Gross profit- Expenses

Gross profit= Sales- Cost of sales

Cost of sales= Opening stock + purchases - closing stock

Cost of sales = 36,000 + 130,000 – 25,000

Cost of sales = 141,000/=

Gross profit = 300,000- 141,000

Gross profit = 159,000/=

Then Net profit = 159,000 – 20,000

Therefore Net profit = 139,000/=

Then, Markup =  $\frac{139,000}{141,000} = 0.9858$

**Therefore; Markup (Net profit) = 0.99**

(ii) Margin (Gross profit)

Formula: Margin=  $\frac{\text{Gross profit}}{\text{Sales}}$ , Where Gross profit= 159,000/=, Sales= 300,000/=

=  $\frac{159,000}{300,000} = 0.53$

**Therefore; Margin (Gross profit)= 0.53**

(iii) Return on capital

Formula: ROC=  $\frac{\text{Net profit}}{\text{Capital}}$

Where Net profit= 139,000, But Capital= Total Assets – total liabilities

= (200,000 + 90,000) – 74,000 = 216,000

Therefore capital = 216,000

Then ROC =  $\frac{139,000}{216,000} = 0.64358 \times 100\%$

**Therefore, Return on capital = 64.4%**

(iv) Working capital ratio

Formula:  $\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{90,000}{74,000} = 1.2:1$

Therefore, **Working capital ratio = 1.2:1**

(v) Rate of stock turnover

Formula:  $\frac{\text{Cost of goods sold}}{\text{Average stock}} = \frac{141,000}{30,500}$

Therefore, **Rate of stock turnover = 4.6 times**

**(5 items @ 2 Marks) = 10 Marks)**

(b)

	DEBITED	CREDITED
(i)	Wages a/c	Bank a/c
(ii)	Electricity a/c	Cash a/c
(iii)	Office chair a/c	Musa a/c
(iv)	Cash a/c	Sales a/c
(v)	Cash a/c	Bank a/c

**(5 items @ 1 Mark = 5 marks)**

5. (a)(i) Term used to mean the difference is 'DEPRECIATION'

(ii) Causes of depreciation

- Accident
- Price fluctuation
- Wear and tear
- Exhaustion
- Obsolescence
- Change in taste and fashion.

(b) (a)

DR			FURNITURE A/C		CR	
1/1/2016	Balance	b/d	135,620	31/12/2016	Disposal	36,000
31/12/2016	Cash		47,800	31/12/2016	Balance c/d	147,420
			<b>183,420</b>	<b>183,420</b>		
1/1/2017	Balance	b/d	147,420			

(b)

DR		PROVISION FOR DEPRECIATION A/C		CR	
31/12/2016 Furniture disposal		14,400	1/1/2016 Balance b/d		81,374
31/12/2016 Balance c/d		95,198	31/12/2016 Income statement		28,224
		<b>109,598</b>			<b>109,598</b>
			1/1/2017 Balance b/d		95,198

(c)

DR	FURNITURE DISPOSAL A/C		CR
Furniture	36,000	Cash	5,700
		Provision for depreciation	14,400
		Income statement (loss on disposal)	15,900
	<b>36,000</b>		<b>36,000</b>

## SECTION C:

(6)(i)

### NCHIMBA'S MANUFACTURING COST STATEMENT

Opening inventory (R.M)		19,000
Add: Purchases (RM)	350,000	
Add: Carriage inwards(RM)	<u>2,800</u>	
	352,800	
Less: R/Outwards (RM)	<u>-</u>	<u>352,800</u>
Cost of RM available for consumption		371,800
Less: Closing inventory (RM)		<u>26,000</u>
Cost of RM consumed		345,800
Add: <u>Direct costs</u>	180,000	
Wages	<u>6,000</u>	
Royalties		<u>186,000</u>
PRIME COSTS		531,800
Add: <u>Indirect costs</u>	4,400	
Lighting ( $\frac{2}{3} \times 6600$ )	8,000	
Rent ( $\frac{2}{3} \times 12000$ )	3,000	
Insurance ( $\frac{2}{3} \times 4500$ )	23,000	
Depreciation: Productive machinery	15,600	
Factory power	32,000	
General office factory expense	<u>120,600</u>	
Factory wages		<u>206,600</u>
		738,400
Add: Work in progress (a.s)		<u>11,000</u>
		749,400
Less: Work in progress (a.c)		<u>18,000</u>
PRODUCTION COSTS		731,400

ii)

**NCHIMBA'S**

**INCOME STATEMENT FOR THE YEAR ENDED 31 DEC 2012**

Sales		1,450,000
LESS: COST OF GOODS SOLD		
Opening stock (FG)	35,000	
Add: Purchases (FG)	-	
Cost of Goods Available for sale	35,000	
Less: closing stock (FG)	<u>38,000</u>	
Cost of Goods sold		<u>(3,000)</u>
Gross profit		1,453,000
Less. EXPENSES		
Carriage outwards	4,800	
Lighting ( $\frac{1}{3} \times 6600$ )	2,200	
Administration salaries	54,000	
Sales representative salaries	25,000	
Commission sales	9,800	
Rent ( $\frac{1}{3} \times 12,000$ )	4,000	
Insurance ( $\frac{1}{3} \times 4500$ )	1,500	
General administration expenses	12,400	
Bank charges	2,600	
Discount allowed	4,500	
Depreciation: Accounting machinery	<u>400</u>	
Total expenses		<u>121,200</u>
Profit for the year		<u>1,331,800</u>

**(44 Ticks @ 0.56 Mark) +0.36 Free Marks = 25 Marks.**

7. In the books of M. Halima

DR	CONSIGNMENT OUTWARDS A/C	CR
To Income statement	<u>800,000</u>	Consignment to J.Manyanya
	<u>800,000</u>	<u>800,000</u>

DR

## CONSIGNMENT TO J.MANYANYA A/C

CR

Details	Amount	Details	Amount
Consignment outwards	800,000	Sales	1,200,000
Add: Consigner's expenses		"Value of unsold stock	<u>566,000</u>
Carriage 200,000		Total	1,766,000
Marine Insurance 80,000			
Freight <u>90,000</u>	370,000		
Add: Consignees expenses			
Carriage 150,000			
Import duty 45,000			
Storage 50,000			
Commission 80,000			
Sales expenses <u>5,000</u>	<u>330,000</u>		
Total costs	1,500,000		
Profit on consignment	<u>266,000</u>		
	<u>1,766,000</u>		<u>1,766,000</u>

**WORKINGS:****Unsold stock**

Value of unsold stock

= Unsold Stock x Cost price

= 400X 800 = 320,000

**Value of expenses for unsold stock**

$$= \frac{\text{Total expenses} \times \text{Unsold stock}}{\text{Total stock consigned}}$$

$$= \frac{615000 \times 400}{1000} = 246,000$$
**= 566,000****(2 Marks)**

DR

J.MANYANYA

CR

Sales	1,200,000	<u>Consignees expenses:</u>	
		Carriage	150,000
		Import duty	45,000
		Storage	50,000
		Commission	80,000
		Sales expenses	5,000
		Bank draft	<u>870,000</u>
	<u>1,200,000</u>		<u>1,200,000</u>

**(31 Ticks @ 0.58 Mark = 17.92 Mark + 0.02 free Marks)**

## **KWA MAHITAJI YA**

**01. MITIHANI YA MID-TERM NA MARKING GUIDE ZAKE KWA KILA SOMO KWA VIDATO VYOTE**

**02. SERIES ZA O-LEVEL KWA MASOMO YOTE NA VIDATO VYOTE**

**03. MITIHANI YA KIDATO CHA TANO NA SITA (ADVANCED SERIES) KWA COMBINATION ZOTE**

## **OFA OFA**

**U.B.N COOPERATION TUNATOA OFA MAALUM YA KUJIUNGA NA GROUP LETU LA “U.B.N COOPERATION” KWA WAKUU WA SHULE NA WATAALUMA KWA TSH 50,000/= MIEZI 6 NA 70,000/= MWAKA MZIMA KWA KIDATO KIMOJA AMBAPO UTAPATA MITIHANI YA KILA MWEZI (MONTHLY TEST) KWA MASOMO YOTE NDANI YA MIEZI SITA. OFA HII NI KWA KIDATO CHA PILI NA CHA NNE TUU. ITAKUWA NI (MWEZI MARCH – SEPTEMBER) MIEZI 6 NA MARCH-DECEMBER MWAKA MZIMA ....MWISHO WA KUJIUNGA NA OFA HII NI TAREHE 15/03/2024**

**KWA MAWASILIANO; WASILIANA NASI 0624 254 757  
WHATSAPP TUU**

**U.B.N COOPERATION O-LEVEL EXAMINATION SERIES 2024**  
**TIME TABLE FOR ALL SUBJECTS**  
**FORM TWO AND FORM FOUR**  
**FEBRUARY SERIES**

ALL SUBJECTS	DATE	TIME
SERIES - 02	12 <sup>th</sup> February 2024	03:00 – 6:00 pm
SERIES – 03	19 <sup>th</sup> February 2024	03:00 – 6:00 pm
SERIES – 04	26 <sup>th</sup> February 2024	03:00 – 6:00 pm

**CONTENTS COVERED**

**1. SERIES FORM TWO**

**(ALL TOPICS IN FORM ONE AND ONLY TWO TOPICS IN FORM TWO)**

**2. FORM FOUR**

**(ALL TOPICS IN FORM ONE, FORM TWO, FORM THREE AND ONLY TWO TOPICS IN FORM FOUR)**

**ADA : FORM TWO 11,000 MUHULA MZIMA**

**: FORM FOUR 16,000 MUHULA MZIMA**

**DEADLINE : MWISHO WA MALIPO NI TAREHE 15 MARCH 2024**

**NB : ADA ZA MALIPO YA MUHULA HUPANDA KILA DEADLINE  
 INAPOVUKA HIVYO LIPIA MAPEMA KUEPUKA GHARAMA KUBWA  
 BAADAE**

**MALIPO : 5595220 LIPA NAMBA VODA JINA U.B.N ACADEMIC CENTRE**

**FOR MORE INFO**

**CALL US : 0624 254 757**

**MUHIMU**

**RATIBA YA SERIES YA MWEZI WA TATU NA WA NNE  
 ITATUMWA KWENYE GROUP ZA SERIES**