



Republic of Rwanda
City of Kigali



GASABO DISTRICT COMPREHENSIVE ASSESSMENT

FOR 2ND TERM, ACADEMIC YEAR 2022-2023.

TRADES: ACCOUNTING

RTQF LEVEL: 4 ACCOUNTING

**SUBJECT: PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL
BALANCE**

DURATION: 3HR.

On/.....,2023

INSTRUCTION TO CANDIDATES:

- ✓ This question paper consists of **THREE SECTION** sections **A and B**
- ✓ Answer all questions in section A (**55marks**).
- ✓ Answer only **Three** questions in section B (**30marks**).
- ✓ In section C only one questions(**15**)
- ✓ Use only blue or black pen for answering.
- ✓ **Calculator** instruments are allowed where it is necessary.

Note: Results for any candidate who is caught in examination malpractices are nullified

SECTION A: ATTEMPT ALL QUESTIONS

/50 MARKS

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

- 01.** Enumerate six source documents. **5marks**
- 02.** State at least four examples of errors occurred in recording business transaction.
5marks
- 03.** Identify role of verifying source documents in the course of accounting practice.
5marks
- 04.** Define business transaction. **5marks**
- 05.** Describe the reasons why all transaction has supporting documents
5marks
- 06.** Identify clearly the reasons why the source documents must be interpreted.
5marks
- 07.** Distinguish Sales journal from Purchase journal. **5marks**
- 08.** Identify information you can verify in accounting sources documents.
5marks
- 09.** Write in full the following term used in processing ledger **5marks**
a) Bal c/d
b) Bal b/d
- 10.** Give short notes on the following **5marks**
a. A trial balance
b. Ledger
b) Rectify the following errors

i. The purchase of machinery for Frw 500,000 has been entered in purchase day book

ii. Cash received from Kayitare but credited to Kayitesi's account

iii. A sale of old machinery for Frw 70,000 has been entered in sales account

3marks

11. By using the following data record below transaction in the journal.

10marks

- i. On 2nd January 2021, Purchased goods on credit worth 3000 frw from Nzovu.
- ii. ON 6TH january2021 Goods returned to Musoni for acceptable reason worth 5000 frw
- iii. On 8th January 2021, Peter returned the goods worth 1200 frw due to being obsolete.

SECTION B: ATTEMPT THREE (3) QUESTIONS

/30

MARKS

12. Complete the following statements

10Marks

- a. An Error that involves the complete failure to record the double entry of a transaction is known as.....
- b. A fundamental accounting error involving posting transactions in the wrong class of account is known as
- c. If an error has the counter effect of cancelling out other error it is a.....
- d. An error of is made when a transaction is entered on the right side of wrong account of the same class.

13. What are the three books of prime entry in accounting?

10marks

14. Explain a term purchase return in accounting.

10marks

SECTION C. ATTEMPT ONE QUESTIONS

/15Marks MARKS

◀.....▶
(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

15. Describe the steps to a journal entry.

15marks

16. Complete the following table

15marks

No	Transaction	Effects of trasactions	Action to be taken
1	Openning the business with Rwf 500,000 in the bank	.....	.....
2	Purchase of building for Rwf 300,000by cheque	.....	.....
3	Purchase of goods on credit Rwf 100,000	.....	.....
4	Sales goods on credit for Rwf 100,000	.....	.....

17. Examine the following table and complete the gaps.

15marks

ASSET	LIAILITIES	CAPITAL
34,282	7,909	.....
276 ,303	.....	213,817
.....	6,181	70,919
.....	210	99
234	5,176	.....

18. Produce the furniture account from the following information.

15marks

i.01/04/2020.Started the business with cash Frw 50,000 and furniture worth Frw 100,000



(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

ii.01/06/2020 Furniture sold for Frw 35,000 and get paid by cheque (Note we ignored Profit/Loss and Depreciation)

iii.31/07/2020 New furniture purchase for Frw 50,000 and paid by a cheque

iv.31/12/2020 Further furniture purchase for Frw 10,000 and paid by cash

v.31/01/2021 Further new furniture purchased from Kayihura worth Frw 90,000

vi.31/03/2021 Depreciation charged on furniture for Frw 15,000

19. From the following information prepare trial balance.

15marks

Name of account	Balances
Cash	94,000
Capital	100,000
Purchases	70,000
Sales	65,000
Gakuba	12,000
Bank	12,000
Gakwavu	22,000
Gakwaya	12,000
Salary	14,000

Good luck

MARKING GUIDE

SECTION A: ATTEMPT ALL QUESTIONS

/55 MARKS

Question1. Enumerate six source documents

Answer: Different source of documents are as follows **5Marks**

- i. Invoices
- ii. Receipts
- iii. Cheques
- iv. Purchase order
- v. Sales order
- vi. goods delivery note
- vii. debit note
- viii. credit note
- ix. quotation
- x. goods received notes

Any 5 correct documents 5*1mark=5marks

LU1: Check and verify supporting documentation

LO1.1:1: Identify and check of information from documents (Page 472), Curriculum October, 2017

Question2. State at least four examples of errors occurred in recording business transaction/**5Marks**

←.....→
(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

Answer:

- i. Error of omission
- ii. Error of commission
- iii. Transposition error
- iv. Error of principle
- v. Compensating error
- vi. Error original entry
- vii. Arithmetical error

Any 4 types of errors 1mark*4=4marks

REF:LU4: Prepare ledger balances and trial balance

**LO4.3: proper correcting errors according to organizational standards (Page 487),
Curriculum October, 2017**

Question3. Identify role of verifying source documents in the course of accounting practice.
/5mks

-Source documents are verified for accuracy recording business accounting information

-Source documents are verified for financial control purposes

Any 2 correct role 1mark*2=2marks

REF:LU1: Check and verify supporting documentation

**LO1.2: Verify and record information from documents according organizational policy
and standards (Page 474), Curriculum October, 2017**

Question4. Define business transaction **/5Marks**

◀.....▶
(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

Answer: Is any economic activity done in business dealing with seller and buyer about selling or buying goods and services

Any correct definition /3Marks

REF:LU1: Check and verify supporting documentation

LO1.2: Verify and record information from documents according organizational policy and standards (Page 474), Curriculum October, 2017

Question5. Describe the reasons why all transaction has supporting documents /5Marks

Answer: Source document is a good internal control and it provides an evidence for any transaction occurred, it also supports in preparation of financial statements

A correct reason /5Marks

REF.LU1: Check and verify supporting documentation

LO1.3: Examine supporting documentation to establish accuracy and completeness and to ensure authorization by appropriate personnel (Page475), Curriculum October, 2017

Question6. Identify clearly the reasons why the source documents must be interpreted.
/5Marks

Answer: Source documents are critical to Auditor, who uses them as an evidence for recorded transactions occurred, A source document is also used by companies as proof when dealing with their business partner, usually in regard to a payments

Any correct answer /5Marks

REF:LU2: Record transaction into prime entries

LO2.1: Interpret source documents in preparation for entering transactions (Page 477), Curriculum October, 2017

Question 7. Distinguish Sales journal from Purchase journal /5Marks

Answer: Sales journal is a prime book where goods sold on credit are recorded while

~~◀Purchase journal is a prime book where goods purchased on credit are recorded.....▶~~

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

a correct difference /5Marks

LU2: Record transaction into prime entries

LO2.2: Select correct account and journal for intended entry (Page 478), Curriculum October, 2017

Question8. Identify information you can verify in accounting sources documents **/5Marks**

Answer:

- a) description of a business transaction
- b) The date of the transaction
- c) total amount of money
- d) An authorizing signature
- e) price per unit.
- f) quantity
- g) title of document
- h) names and address of buyer and seller

any 4 correct answer 1mark*4= 4marks

REF:LU1: Check and verify supporting documentation

LO1.2: Verify and record information from documents according organizational policy and standards (Page 474) Curriculum of October, 2017

Question9. Write in full the following term used in processing ledger **5marks**

- c) Bal c/d
- d) Bal b/d

Answer:

◀.....a)....Bal.c/d.is.balance.carried.down.....▶

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

b) Bal b/d is balance brought down

correct answer 1mark*2= 2marks

REF.LU3: Process ledger transactions from the books of prime entry

**LO3.1: Transfer data correctly from the day books to the ledgers (Page481),
Curriculum October, 2017**

Question 10. Give short notes on the following: **5marks**

- i) A trial balance
- ii) Ledger

Answer: Definition i) Trial balance: Is a statement containing the various ledger balances on particular date.

iii) Ledger: Is book which contains various accounts.

Any 2 correct definition 2marks*2= 4marks

LU1: Check and verify supporting documentation L.0. (PAGE 505)

Question 11. Rectify the following errors

- i. The purchase of machinery for Frw 500,000 has been entered in purchase day book
- ii. Cash received from Kayitare but credited to Kayitesi's account
- iii. A sale of old machinery for Frw 70,000 has been entered in sales account/**3marks**

Answer: Journal

◄----->
(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

Date	Particulars Frw	JF	Dr Amount Frw	Cr Amount Frw
i.	Machinery a/c dr		500,000	
	To purchases a/c cr			500,000/ 1Mark
ii.	.Machinery a/c dr		10,000	
	To Kayitesi's a/c cr			10,000/ 1Mark
iii.	Sales a/c dr		70,000	
	To machinery a/c			70,000/ 1Mark

REF:LU4: Prepare ledger balances and trial balance

LO4.3: Correct errors according to organizational standards, (Page487)
Curriculum of October 2017

(Page 483) ,Curriculum October, 2017

SECTION C ATTEMPT TWO QUESTIONS IN THIS SECTION/15MARKS

Question 12. Describe the steps to a journal entry/15Marks

Answer: Steps to Prepare a Journal Entry

4 different steps to prepare the journal entry

- Identify the account involved in transaction
- Determine the type of account involved
- Apply appropriate rule of accounting
- Record the transaction along with narration or a short description

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

REF:LU2: Record transaction into prime entries

LO2.2: Select correct account and journal for intended entry (Page 478) ,Curriculum of October 2017

Question 13. Complete the following table /15Marks

No	Transaction	Effects of trasactions	Action to be taken
1	Openning the business with Rwf 500,000 in the bank	.....	.....
2	Purchase of building for Rwf 300,000by cheque	.....	.....
3	Purchase of goods on credit Rwf 100,000	.....	.....
4	Sales goods on credit for Rwf 100,000	.....	.....

Answer:

No	Transaction	Effects of trasactions	Action to be taken
1	Openning the business with Rwf 500,000 in the bank	Bank icreases and capital increases	Dr:bank a/c 500,000 Cr:capital a/c 500,000
2	Purchase of building	Building increases and bank decreases	Dr:building a/c300,000 Cr:bank a/c 300,000

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

	for Rwf 300,000by cheque		
3	Purchase of goods on credit Rwf 100,000	Purchases increases and creditors increases	Dr:purchase a/c 100,000 Cr:creditors a/c 100,000
4	Sales goods on credit for Rwf 100,000	Debtors increases and sales increases	Dr:debtors a/c100,000 Cr:sales a/c100,000

Any correct filled empty cell 0.5mark*8=4marks

REF:LU4:Prepare ledger balances and trial balance

4.1: Balance ledger accounts showing balances carried down and brought down as appropriate(Page485),Curriculum of October 2017

Question 27. . Examine the following table and complete the gaps /15Marks

ASSET	LIAILITIES	CAPITAL
34,282	7,909	.....
276 ,303	213,817
.....	6,181	70,919
.....	210	99
234	5,176

ANSWER :

ASSET	LIAILITIES	CAPITAL
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(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

34,282	7,909	26,373
276,303	62,486	213,817
77,100	6,181	70,919
309	210	99
234	5,176	5,410

Each correct filling 1mark*5=5marks

LU1: Check and verify supporting documentation

LO1.1:1: Identify and check of information from documents (Page 472), Curriculum October, 2017

Questions 14. Produce the furniture account from the following information/**15Marks**

i.01/04/2020.Started the business with cash Frw 50,000 and furniture worth Frw 100,000

ii.01/06/2020 Furniture sold for Frw 35,000 and get paid by cheque (Note we ignored Profit/Loss and Depreciation)

iii.31/07/2020 New furniture purchase for Frw 50,000 and paid by a cheque

iv.31/12/2020 Further furniture purchase for Frw 10,000 and paid by cash

v.31/01/2021 Further new furniture purchased from Kayihura worth Frw 90,000

vi.31/03/2021 Depreciation charged on furniture for Frw 15,000

Answer:

Dr FURNITURE ACCOUNT Cr

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
2020				2020			

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

01/04	To capital a/c		100,000	01/06	By bank a/c (sales)		35,000/1.5Marks
31/7	To Bank a/c		50,000				
31/12	To cash		10,000				
2021				2021			
31/1	To Kayihuraa/c		90,000	31/3	By depreciation a/c		15,000/1.5Marks

REF:LU4: Prepare ledger balances and trial balance

LO 4.1: Balance ledger accounts showing balances carried down and brought down as appropriate:(Page485) ,Curriculum of October 2017

Question 15. From the following information prepare trial balance /15Marks

Name of account	Balances
Cash	94,000
Capital	100,000
Purchases	70,000
Sales	65,000
Gakuba	12,000
Bank	12,000
Gakwavu	22,000
Gakwaya	12,000
Salary	14,000

(PROCESS LEDGER TRANSACTIONS AND EXTRACT A TRIAL BALANCE)

Answer:

Name of account	Debit balances Frw	Credit balances Frw
Cash	94,000	
Capital		100,000/ 1Mark
Purchases	70,000	
Sales		65,000/ 0.5Mark
Gakuba	-	12,000/ 0.5Mark
Bank	12,000	
Gakwavu		22,000/ 0.5Mark
Gakwaya	12,000	
Salary	14,000	
	199,000	199,000/ 0.5Mark

LU4: Prepare ledger balances and trial balance

LO 4.2: Extract trial balance and prepare other required reports according to organizational standards, (Page 486),Curriculum of October 2017