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1. This paper consist of three (3) sections A, B and C. With total of 7 questions
2. Answer **ALL** questions in **ALL** sections in the **space provided**.
3. Neatness and Good presentation is required in your workings.
4. Remember to write your names.

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**SECTION A (20 Marks)**

**1. For each of the items (i) – (x) choose the correct answer from among the given alternatives and write the letter beside the item number.**

- i. Which of the following statement is correct?
  - A. Capital can only come from profit
  - B. Profit does not change capital
  - C. Profit increase capital
  - D. Profit reduce capital
- ii. Carriage inwards is charged to the income statement because:
  - A. Carriage outwards goes in the profit and loss account
  - B. It is connected with buying of goods
  - C. It is not part of motor expenses
  - D. It should not go in the balance sheet
- iii. Cash or goods taken out of the business for private use are known as:
  - A. Profit
  - B. Loss
  - C. Balance
  - D. Drawings
- iv. The cost of goods sold is ascertained as:
  - A. Closing stock + Net purchases – Opening stock
  - B. Opening stock + Purchases returns outwards
  - C. Opening stock + Purchases – Returns outwards
  - D. Opening stock + Net Purchases – Closing stock
- v. The document used to deposit money in the banks account is known as .....In the income
  - A. Bank statements
  - B. Pay-in-slip
  - C. Invoice
  - D. Payment voucher
- vi. Supplies personal accounts are found in the?
  - A. Purchases Léger
  - B. Sales lager
  - C. Nominal lager
  - D. General lager
- vii. One of the following reasons allows the goods to be returned to the supplier:
  - A. Perishable goods
  - B. Expired goods
  - C. Durable goods
  - D. Consumable goods
- viii. Column in an account which used to record short description of the transactions is called
  - A. Folio
  - B. Amount
  - C. Date
  - D. Particular
- ix. Tshs.5,000/= taken from cash and deposited into the bank the double entry will be:
  - A. Debit cash account Tshs. 5,000 and Credit bank account Tshs.5,000
  - B. Debit bank account Tshs.5,000 and Credit cash account Tshs. 5,000
  - C. Debit cash account Tshs. 5,000 and Credit cash account Tshs. 5,000

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- D. Debit bank account Tshs.5,000 Credit bank account Tshs.5,000
- x. Which of the following clarifies real account:
- A. Juma account, cash account, purchases account.
- B. Machinery account, fixtures account, buildings account.
- C. Purchase account, return outwards account, sales account
- D. Stock account, machinery account, sales account

|   |    |     |    |   |    |     |      |    |   |
|---|----|-----|----|---|----|-----|------|----|---|
| i | ii | iii | iv | v | vi | vii | viii | ix | x |
|   |    |     |    |   |    |     |      |    |   |

2. Match the items List A with the responses in List B by writing the letter of the correct response below the corresponding item number in the table provided.

| List A  | List B   |
|---|--|
| i. Is allowance given to a customer on prompt payment<br>ii. Allowance given to customer when they pay cash<br>iii. Allowance made by supplier to business man for quickly payments amount at which petty cashier start each period<br>iv. Supplying and controlling petty cash when is lack of a cash float<br>v. A person responsible for recording petty expenses<br>vi. A cash book for small payment<br>vii. Personal account<br>viii. Amount required to be restored by petty cashier<br>ix. Moving money from one account to another<br>x. Payments made automatic in the bank | A. Petty cashier<br>B. Petty cash float<br>C. Petty cash book<br>D. Imprest system<br>E. Discount received<br>F. Discount allowed<br>G. Cash discount<br>H. Cash account<br>I. Capital and drawings<br>J. Mwajuma and furnitures<br>K. Amount spend<br>L. Credit transfer<br>M. Direct debit<br>N. Dividend<br>O. Bank |

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**SECTION B (20 Marks)**

3. (a) List five errors which do not affect the agreement of trial balance
- i. ....
  - ii. ....
  - iii. ....
  - iv. ....
  - v. ....
- (b) Mention five (5) interested parts of the financial statement:
- i.....
  - ii.....
  - iii.....
  - iv.....
  - v.....
4. (a) Define the following terms:
- i. Consolidated fund: .....  
.....  
.....
  - ii. Government expenditures: .....  
.....  
.....
  - iii. Bookkeeping.....  
.....  
.....
  - iv. Contra entry.....  
.....  
.....
  - v. Double entry system.....  
.....  
.....

5. Post the following details into the statement of financial position of Glory Stationary as at 31<sup>st</sup> December 2018.

| S/No. | DETAILS                               | TSHS      |
|-------|---------------------------------------|-----------|
| 1     | Capital                               | 1,400,000 |
| 2     | Net profit                            | 60,000    |
| 3     | Drawings                              | 50,000    |
| 4     | Creditors                             | 20,000    |
| 5     | Loan from NMB                         | 120,000   |
| 6     | Bank overdraft                        | 40,000    |
| 7     | Land                                  | 1,260,000 |
| 8     | Machinery                             | 130,000   |
| 9     | Motor van                             | 40,000    |
| 10    | Fixture and fittings                  | 25,000    |
| 11    | Premises                              | 53,000    |
| 12    | Stock at 1 <sup>st</sup> January 2019 | 17,000    |
| 13    | Debtors                               | 15,000    |
| 14    | Cash at bank                          | 30,000    |
| 15    | Cash in hand                          | 20,000    |

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7. The following is the summary of cash book Joseph for the month of September 2017

DR

CASH BOOK WITH BANK COLUMN

CR

| PARTICULAR  | AMOUNT      | PARTICULAR  | AMOUNT      |
|-------------|-------------|-------------|-------------|
| Balance b/d | 14,070,000  | Payments    | 155,200,000 |
| Receipt     | 150,730,000 | Balance c/d | 9,600,000   |
|             | 164,800.000 |             | 164,800,000 |
| Balance b/d | 9,600,000   |             |             |

Joseph received a bank statement on 5<sup>th</sup> October 2017 and discovered that:

- Bank statement shows a credit balance of Tshs 730,000
- Dividend charge of Tshs 940,000 were collected by Bank
- Bank charge of Tshs 350,000 were not entered in the cash book
- A cheque of Tshs 180,000 was dishonoured by Bank
- Cheques paid to suppliers AMINATshs 2,140,000, AMOSI Tshs 3,700,000 and JULIETH Tshs 300,000 have not been presented for payment.
- Deposits of COLLETHA Tshs 15,420,000 on 30<sup>th</sup> September were not credited by the bank till 2<sup>nd</sup> October

Required

Show adjustments will you make in the cash book and prepare a bank reconciliation statements



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