

**PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

FORM THREE MIDTERM EXAMINATION

BOOK KEEPING

TIME: 2 : 30 HOURS.

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions.
3. Sections A carries fifteen **(15)** marks and B carries forty **(40)** marks and Section C carries forty-five **(45)** marks.
4. All writings must be in blue or black ink.
5. All answers must be written in the spaces provided.
6. Calculators, cellular phones and any unauthorized materials are **not** allowed in examination.

FOR EXAMNINERS'S USE ONLY		
QUESTION NUMBER	SCORE	EXAMINERS' INITIALS
1		
2		
3		
4		
5		
6		
7		
8		
9		
TOTAL		

SECTION A (15 MARKS)

Answer **all** questions in this section.

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

(i) The decreased value of land because due to intensive extraction of resource such as minerals, extraction of oils in business perspective point of view this process is known as?

- A. Deletion
- B. Obsolescence
- C. Inadequacy
- D. Amortization
- E. Erosion

(ii) Faraja is the chairman of Mulebal council when he was in meeting with his members he failed to tell the members of council the book for recording the value of land which has been acquired on credit. Assume if you could be one member of council which book you could tell Fara to record such asset?

- A. Sales journal
- B. Purchases journal
- C. Cash book
- D. General journal
- E. Sales return day book

(iii) Cash sale amount to TZS 340, 000, 000/= of Wazalendo Group paid direct into its bank account of CRDB, identify correct double entry of this transaction.

- A: Debit sales account and credit cash account by TZS 340, 000, 000/=
- B: Debit cash account and credit bank account by TZS 340, 000, 000/=
- C: Debit bank account and credit sales account by TZS 340, 000, 000/=
- D: Debit bank account and credit cash account by TZS 340, 000, 000/=
- E: Debit sales account and credit bank account by TZS 340, 000, 000/=

iv) The cash float of Ahijira School for the month of August was TZS 900,000 while the amount spent was TZS 450,000. How much is to be reimbursed next month to the Petty Cashier of Alhijira School.

- A. TZS 800,000
- B. TZS 678,000
- C. TZS 450,000
- D. TZS 200,000
- E. TZS 900,000

v) The following are details of financial information of Vijana Group: Premises, Loan from Amana Bank, Land, Trade creditors, Rent income outstanding, Trade debtors, Insurance outstanding, Loan from KBC. From the given alternatives identify miss

match elements of financial position

- A. Trade debtor, Rent income outstanding
- B. Land, Premises
- C. Trade creditor, Insurance Outstanding
- D. Loan from Amana Bank, Loan from KBC
- E. Insurance outstanding, Rent income outstanding

(vi) The Business enterprises are devised to set a side amount of fund for the purpose of meet the debtors who will likely to be bad in the business. In business affairs that action is termed as.

- A. Provision for bad debts.
- B. Provision for discount on debtors
- C. Provision for depreciation
- D. Provision for discount allowed
- E. Provision for discount on creditors

(vii) Mwamba is shop keeper who is dealing with selling varieties goods; he took one of the product items from his shop and sent home for family uses. As your business student which appropriate account for recording this type of transition.

- A. Drawing Account
- B. Purchases Account
- C. Expenses Account
- D. Expenditure Account
- E. Sales Account

(viii) Twaweza Sport Club established two years ago with amount of fund TZS 3,460,000,000 as a capital of starting its business. Refer to knowledge you have acquired in Non-Trading Organization what is called starting fund of Twaweza Sport Club.

- A. Capital employed fund
- B. Capital supplied fund
- C. Accumulated fund
- D. Dross working capital fund
- E. Accumulated shares fund

(ix) Relatives of Mr. Kadege who owns Retail shop they have a tendency of taking goods from his shop, no any entry is recorded in his books of account, identify type of accounting concept which is not applied by Mr. Kadege.

- a. Money measurement concept
- b. Business entity concept
- c. Historical cost concept
- d. Dual aspect concept
- e. Going concern concept

(x) Ministry of Agriculture transferred two billion TZS to the Ministry of Education in order to fix the deficit of that ministry. This process is termed as.

- a. Ambit of vote
- b. Virement
- c. Consolidated fund
- d. Pubic fund
- e. Vote Book

2. Match the incorrect transactions in **Column A** with the responses of the types of errors in **Column B** by writing the letter of the correct responses below with the corresponding item number.

LIST A	LIST B
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i. Sold of goods to kweke TZS 5400 was recorded in the books of Kweka	A. Error of commission B. Error of complete reversal
ii. Purchases of machinery TZS 340000 was recorded in purchases account	C. Error of omission D. Compensating error
iii. Sales goods for cash TZS 4600 is over casted both in sales and cash account	E. Error of casting F. Error of original entry
iv. Insurance paid by cheque TZS 1200 was debited to bank account and credited to insurance account The payment of rent TZS 20300 was totally omitted	G. Error of principle H. Transposition error
v. from the books of account	

SECTION A (15 MARKS)

Answer **all** questions in this section

3. Why do you think some of small enterprises prefer keeping their business transactions in books of accounts under single entry system? Give five(5) reasons to support your answer
4. John who owns shop of soft drink bought 150 crates of soda at the time crates were loaded off to his warehouse he found that five crates of soda their bottles were broken during transit and decided to return back to the supplier. Refer from this scenario explain any other five (5) possible factors which may cause John to return goods to the supplier.
5. The following are the balances of Mr. Asantuya available in his cash book and bank account on 31st December 2022:

Bank balance TZS 6,200 (Credit)

Cash balance TZS 21,600 (Debit)

The following data obtained after compering information available in his bank statement and cash books

 - (a) Cheques drawn and paid to the creditors but not presented for payment amounted to TZS 18,850.
 - (b) Cheque received from debtor and paid to the bank but not recorded by the bank until a later date amounted to TZS 19,220.
 - (c) Bank charged amounted to TZS 15,280.
 - (d) Standing order to Kalisto TZS 15,800.
 - (e) The bank collected TZS 650 for interest received.

- (f) Direct deposits amounted to TZS 15,400.

Required

Assist Mr. Asantuya to prepare his bank statement starting with balance of cash book for the month of 31st December 2022.

6. You have given the information of Mashujaa Sport Club with the following information: At 1st January 2015 Subscription in arrears was TZS 10,900 and subscription in advance was TZS 5,700. During the year amount of subscription received by Mashujaa Sport Club was 25,500. At 31st December 2015 subscription in advance was TZS 7,900 and subscription in arrears was TZS 13,300.

Required

Find amount of subscription to be transferred to the statement of income and expenditure of Mashujaa Sport Club for the year ended 31st December 2015

SECTION B (40 MARKS)

Answer **all** questions in this section.

7. Open the Purchases Ledger and Sales Ledger Accounts from the following details of AbdulAzizi for the month of January 2022:

Jan. 1 st Debit balances in Sales Ledger	369400
Jan. 1 st Credit balance in Sales Ledger	14900
Jan. 1 st Debit balance in Purchase Ledger	5800
Jan. 1 st Credit balance in Bought Ledger	98300
Jan. 31 st Sales credit	852300
Jan. 31 st Purchases credit	293800
Jan. 31 st Cash received from customer	695400
Jan. 31 st Discount received	5600
Jan. 31 st Discount allowed	8000
Jan. 31 st Sales returns	19300
Jan. 31 st Purchases returns	10000
Jan. 31 st Sales ledger debit transferred to bought ledger	5000
Jan. 31 st Customer balance transferred to bad debts account	2500

Jan. 31 st	Cash paid to creditors	265900
Jan. 31 st	Credit balance in Sales ledger	4900
Jan. 31 st	Debit balance in Bought Ledger	8300

8. **Mwanahiza Trade**, started business on 1st January 2020. Purchase and disposal of motor car over the subsequent three years were as follows:

motor car	date of purchase	cost	date of disposal	disposal proceeds
Benz	1 ST January 2020	8,000,000		
Toyota	1 ST July 2020	5,500,000	1 ^S June 2022	3,900,000
Nissan	1 ST January 2022	10,000,000		

The motor car is to be depreciated on straight line basis using a rate of 15% per annum.

Required: Write up the following accounts as they would appear in **Mwanahiza trade's** books for three years 2020, 2021 and 2022:

- (a) Motor car account
- (b) Provision for depreciation on motor car account
- (c) Disposal of motor car account

9. The following trial balance was extracted from the books of **S.Mau** a sole trader along Canji in Sumbawang on 31st December 2018.

	DR	CR
	TZS(000)	TZS(000)
Capital		13,000
Drawings.....	2,700	
Debtors and Creditors.....	2,535	2,250
Stock (1.1.2018).....	3,961	
Purchases and Sales.....	14,500	22,400
Returns.....	539	462
Wages and Salaries.....	3,165	
Carriage Inward.....	470	
Discounts.....	354	330
Advertising.....	313	
.....		
Bad debts.....	110	
General expenses.....	510	
Rates.....	275	
.....		
Cash in hand.....	80	
Cash at Bank.....	330	
Motor vehicle.....	1100	
Premises.....	7500	
.....		
	38442	38442

Additional information

- a. Wages due shs.54,000
- b. Rates paid in advance 65,000
- c. Motor vehicle to be depreciated by 20% p.a.
- d. Stock at 31 December 2006 was valued at Shs.4,126,000

Required:

Prepare an Income Statement for the year ending 31st December 2018 and a Statement of Financial position as at that date