

THE STATE UNIVERSITY OF ZANZIBAR-SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING – TEST NO 2 FOR BITAM 13TH JANUARY, 2024

ANSWER ANY 2 INCLUDING QUESTION 3 QUESTION– TIME: 72 MINUTES

QUESTION 1.

Assets	Carrying Value (TZS)	Recoverable Amount (TZS)	Reallocation of Impairment Loss(TZS)
Machine I	4,000,000	1,500,000	50%
Machine II	3,600,000	1,900,000	30%
Machine III	3,000,000	900,000	20%

Required:

Determine the following:

- (a) Reallocation amount of impairment loss of each asset
- (b) Carrying values after charging impairment loss in (a) above.

(2.5 Marks)

(2.5 Marks)

[Total: 5 Marks]

QUESTION 2

	31.1.2023	31.1.2022
Cash at bank	7,890,000	(1,890,000)
Cash in hand	750,000	6,890,000
Plant and Machinery	897,500,000	898,500,000
Buildings	67,000,00,000	68,560,000
Debtors	739,000,000	42,790,000
Creditors	11,230,000	10,440,000
Loan from CRDB	200,230,000	179,300,000
Interest income in arrears	-	34,000
Salaries paid in advance	760,000	-
Insurance accrued	13,000	7,000

Additional information during 31.1.2023: During the year, provide provision for bad debts at 5% on debtors. SAFAARAMS who kept her books of accounts won sportpesa prize amounted to TZS 200,000,000 and the proceeds was paid directly to the business bank account. Drawings were made as follows: Cash personal expense per week TZS 16,500,000 and Monthly Inventory drawn TZS 78,000,000.

REQUIRED:

Determine profit or loss made for the year 2023

(5 Marks)

QUESTION3

A: The following list of assets and liabilities of BITAM SOCIAL CLUB on 1.1.2023:

	31.12.2022
Cash in at bank	TZS
Subscription in-arrears	6,900,000
Subscription in-advance	9,900,000
Building (net)	7,902,680,000
Stationery prepaid	760,000
Honorarium expenses unpaid	54,900
Furniture and Fitting(net)	13,280,000
Inventory	11,700,000

B: During the year the following transaction were taken place:

	TZS
Subscriptions	789,000,000
Donation received	123,900,000
Donation to charity	28,600,000
Sales of old furniture	1,200,000
Honorarium expense paid	123,000,000
Stationery expense paid	12,900,000
Up-keeping ground man wages	1,000,000
Entrance fees	345,900,000

C: Additional information on 31.12.2023:

	TZS
Subscription in-arrears	7,000,000
Subscription in-advance	12,900,000
Building (net)	7,000,000
Stationery prepaid	12,900,000
Honorarium expenses unpaid	8,000
Furniture and Fitting(net)	800,700
Inventory	78,000

Required: prepare the following:

- A. Statement of affairs on 1.1.2023 (2 Marks)
- B. Receipts and Payment Account (2 Marks)
- C. Income and Expenditure a/c for the year ending 31.12.2023 (3.5Marks)
- D. Statement of Financial Position as at 31.12.2023 (2.5 Marks)

[Total: 10 Marks]