



T148

08:30 – 11:30 AM

Names:

Index number

TVET NATIONAL EXAMINATIONS, LEVEL 5, 2022-2023

QUESTIONS and ANSWERS BOOKLET

OPTION/ TRADE : ACCOUNTING

SUBJECT/EXAM: FINANCIAL ACCOUNTING

DURATION: 3 Hours

Read carefully the instructions on page 1 & 2.

FOR EXAMINER'S USE ONLY

[illegible]



TVET NATIONAL EXAMINATIONS, LEVEL 5, 2022-2023

INSTRUCTIONS TO CANDIDATES: PART I (ANSWER BOOKLET)

1. A candidate should fill in the actual names and the Index number on the cover of this questions and answer booklet on the provided place.
2. It is illegal for a candidate to write any of names, Index number or school name inside the answer booklet.
3. No candidate should remove or tear any pages or part of it in the answer booklet.
4. A candidate should answer in the language in which the examination is set.
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 16 lined pages (From page 7 to page 22).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

- N.B:** 1) After results publication, there is no remarking and no candidate is given his/her answer booklet for review. This answer booklet is a property of NESAs.
- 2) Claims are only received online within 30 days after results publication. A link will be provided after results publication.

TVET NATIONAL EXAMINATIONS, LEVEL 5, 2022-2023

OPTION/TRADE: ACCOUNTING

SUBJECT/EXAM: Financial accounting

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES (QUESTION PAPER)

This Exam paper is composed of Three Sections (A, B, and C). Follow the instructions given below, and answer the indicated questions for a total of 100 marks

Section **A**: Fourteen (**14**) questions, all **Compulsory** **55 marks**

Section **B**: Among the five (**5**) questions, attempt any three (3) **30 marks**

Section **C**: Among the two (**2**) questions, attempt any one (1) **15 marks**

Allowed materials:

- Blue or black pen
- Mathematical set
- Non-programmable calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

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SECTION A: Attempt all questions

(55 marks)

- 01.** Define the following terms. **(2marks)**
a) Revenue income
b) Purchase day book
- 02.** Identify the main content of the Heading of balance sheets. **(3marks)**
- 03.** The Balance sheet is a financial statement prepared by business to demonstrate results of information done during a whole year. Enumerate any five (5) advantages of balance sheet to a business. **(5marks)**
- 04.** Identify the components of cash flow statements. **(3marks)**
- 05.** State usage of account. **(3marks)**
- 06.** Give the normal balance of the following class of accounts. **(5marks)**
a) Assets
b) Expenses
c) Liabilities
d) Revenue
e) Capital
- 07.** Explain any five (5) chronological steps to be undertaken by an accountant from the first day of financial year until the production of financial statement. **(5marks)**
- 08.** Explain the following terms: **(4marks)**
a) Going concern concept
b) Dual aspect concept
c) Money measurement concept
d) Economic entity principle
- 09.** Explain the following concepts. **(4marks)**
a) Multiple steps income statement
b) Single step income statement
- 10.** Match the following books of prime entry in column A with corresponding meaning in column B. **(3marks)**

	Column A		Column B
1.	Purchases day book	a)	Is a book of original entry that records credit sales to the debtors for later payments?
2.	Sales day book	b)	Is a book of prime entry that records all daily cash transactions of business.
3.	Cash book	c)	Is a book of original entry that records credit purchases to the creditors for later payments.

- 11.** The following information was extracted in the books of a Cooperative last month of June 2018, **(5marks)**

June/2018

11/6 Deposited frw 12,000,000

12/6 Paid supplier a cheque of frw 2,500,000

13/6 Dividends deposited on account of frw 4,260,000

17/6 Transfer done in order to respect the promise to creditor of frw 1,320,000

Required: Demonstrate the movement of money at its bank account.

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12. a) A machine is bought for Rwf 16,000,000. It is expected to be used during next 4 years with residual value of 5,062,500. Compute depreciation rate per year using reducing balance method. **(2marks)**

- b) The company ZX bought a delivery van for Rwf 2 400 000, estimated to last for **5** years at the end of which it will have a scrap value of Rwf 400 000.

Required: Calculate the depreciation charge per annum by using straight line method. **(2marks)**

13. The following was extracted from the books of EFG trading company Ltd at 31st December 2022 **(5marks)**

S.N	Accounts Title	Debit in Rwfs	Credit in Rwfs
1	Stock as at 1 st jan 2011	150,000	
2	Purchases	1,260,000	
3	Sales		1,672,500
4	Shop expenses	18600	
5	Wages	10,050	
6	Rent paid	2,250	
7	Telephone expenses	1500	
8	Interest paid	13,500	
9	Travel expenses	1650	
10	Premises	600,000	
11	Shop fittings	120,000	
12	Debtors	30,300	
13	Bank	17,550	
14	Capital		225,000
15	Drawings	81,000	
16	Loan from the bank		450,000
17	Creditors		43,500
18	Value added tax		6,000
TOTAL		2,397,000	2,397,000

Required:

Prepare **EFG** trading company Ltd Trading, Profit and Loss account for the year ended 31st December 2022.

14. The following information was extracted from the book of New Vision enterprise. Calculate the value of opening and closing stock. **(4marks)**

S.N	Details	Amount (Rwfs)
01	Purchases	600,000
02	Cost of goods available for sales	750,000
03	Carriage inwards	50,000
04	Cost of goods sold	500,000
05	Return outwards	100,000

Section B: Attempt any three (3) questions

(30 marks)

- 15. Classify the following transactions as capital expenditure, revenue expenditure, capital profit, revenue income and capital income. (10marks)**
- a) Carriage paid on goods purchased
 - b) Legal expenses paid for raising of loans
 - c) Cost of maintenance of building
 - d) Investments costing FRW 40,000 were purchased a few years back, were sold for FRW50,000
 - e) Annual white washing charges amounted to FRW 1,000
 - f) Receipt from cash sales:
 - g) Receipt from sales of kitchen delivery van
 - h) Purchase of motor vehicle
 - i) Purchase of goods for resales
 - j) Frw12,000 spent on purchasing a patent right
- 16. ABC Co. incurs cleanup expense of Rwfs 50,000 on December 30, 2021. The supplier's invoice states that the Rwfs 50,000 is due by January 10, 2022 and ABC will pay the invoice on January 9, 2022. ABC follows the accrual basis of accounting and its current accounting year ends on December 31, 2021. Let's consider the following records on balance sheet: assets decrease, liabilities increase, no effect on owner's equity. Were those records right or wrong? Explain why. (10marks)**
- 17. Analyze the following data and find out in terms of percentages the profit margin and profit mark-up. (10marks)**
- | | |
|---------------------|----------|
| Sales..... | 6000Rwf |
| Purchase | 5 200Rwf |
| Opening stock | 400Rwf |
| Closing stock | 600Rwf |
- 18. PQR Company bought a machine for \$20,000 on January 1, 2005. The company uses fixed installment method of depreciation and estimates that the machine will have a useful life of 6 years and leave a scrap value of \$2,000. Show the provision for depreciation ledger account for the year 2016, 2017 and 2018. (10marks)**
- 19. Motor vehicle was purchased from Japan at CIF Mombasa at a value of frw 5000000. It costs frw500000 to transport the vehicle from Mombasa to Kigali. Total taxes paid on the purchase transaction of vehicle amounted to frw3000000. The vehicle is expected to be used for 5years at the end of which it will have a scrap value of frw 2500000. (10marks)**
- Required:**
- a) Draw up the depreciation schedule,
 - b) Calculate the depreciation expense for each year and accumulated depreciation up to five years under straight line method.

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Section C: Attempt only one (1) question

(15 marks)

- 20.** BNC trader has the following items in his balance sheet as on 30 June 2021. Capital FRW 41,800, Creditors FRW 3,200, Fixtures FRW 7,000, Motor Vehicles FRW 8,400, Stock of goods FRW 9,900, Debtors FRW 6,560, Cash at bank FRW 12,900 and Cash in hand FRW 240 **(15marks)**

During the first week of July 2021:

- a) He bought extra stock of goods FRW 1,540 on credit.
- b) One of the debtors paid him FRW 560 in cash.
- c) He bought extra fixture by cheque FRW 2,000.

Required: Produce balance sheet as on 7 July 2021

- 21.** The following information relates to XYZ industry, transaction for the month of February and March 2019

S.N	Transactions	January	February
1.	Purchases of assets	2,000	2,500
2.	Payment of wages	1,200	1,000
3.	Receipt from sales	6,000	5,000
4.	Loan	3,000	2,000
5.	Repayment of Loan installment	500	4,500
6.	Payment of rent	400	300
7.	Purchases of raw materials	1,000	1,500
8.	Sales of refreshment	2,560	3,000
9.	Taxes	100	120
10.	Debtors	300	350
11.	Creditors	160	150
12.	Acquisition of furniture	180	170
13.	Grants from friends	200	140
14.	Disco dance collection	4,000	4,500
15.	Sale of old furniture receipt	120	100
16.	Rates	150	160
17.	Transport expenses	100	90
18.	Installation of new machinery	250	200
19.	Cinema collection	3,000	4,000
20.	Electricity bills	500	1,000

(9marks)

Required:

- a) Create M&B Enterprises cash flow statement for the two months
- b) State the cash position of M&B Enterprises for the two months.

(6marks)

END OF ASSESSMENT

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