

THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
ADVANCED CERTIFICATE OF SECONDARY EDUCATION EXAMINATION
153/2 ACCOUNTANCY 2

(For Both School and Private Candidates)

Time: 3 Hours

ANSWERS

Year: 2006

Instructions

1. This paper consists of EIGHT questions.
2. Answer all questions in section A and three questions from section B.

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1. (a) Describe a microcomputer system

A microcomputer system is a small, relatively inexpensive computer with a microprocessor as its central processing unit (CPU). It typically includes input devices, a processing unit, output devices, and storage.

(b) State four (4) principal functions of a computer

- Input
- Processing
- Storage
- Output

(c) Name the parts responsible for each principal function stated in 1(b) above

- Input: Keyboard, Mouse
- Processing: Central Processing Unit (CPU)
- Storage: Hard Disk, RAM
- Output: Monitor, Printer

2. Mashaka and Masumbuko, who share profits and losses equally, decided to dissolve their partnership on 31st March 2005. The balance sheet on that date was as follows:

Balance Sheet as at 31st March 2005

Assets

Machinery – 120,800
Furniture – 128,350
Debtors – 422,800
Cash – 271,800
Total – 943,750

Liabilities

Mashaka capital – 302,000
Masumbuko capital – 226,500
Sundry creditors – 415,250
Total – 943,750

The assets were realised as follows:

Debtors – 407,700
Machinery – 60,400
Furniture – 143,450
Dissolution expenses – 15,100
Discounts received from creditors – 30,200

Required:

(a) Realisation Account

Dr

Machinery – 120,800

Furniture – 128,350

Debtors – 422,800

Cash (expenses) – 15,100

Cr

Creditors – 415,250

Cash (Machinery) – 60,400

Cash (Furniture) – 143,450

Cash (Debtors) – 407,700

Cash (Discounts) – 30,200

Profit transferred: Mashaka – 18,375, Masumbuko – 18,375

(b) Capital Accounts

Mashaka

Balance b/d – 302,000

Add: Profit – 18,375

Total – 320,375

Masumbuko

Balance b/d – 226,500

Add: Profit – 18,375

Total – 244,875

(c) Cash Account

Dr

Balance b/d – 271,800

Realisation receipts – 641,750

Total – 913,550

Cr

Expenses – 15,100

Creditors (415,250 – 30,200) – 385,050

Mashaka – 320,375

Masumbuko – 244,875

3. Employees' details:

Name	Hours worked	Rate per hour
Walter	180	500
Xavier	220	500
Yusufu	200	450
Zainabu	240	600

Each employee is expected to work $10 \text{ hours} \times 20 \text{ days} = 200 \text{ hours}$. Any hours above 200 are paid at 1.5 times the rate.

Walter

Normal: $180 \text{ hours} \times 500 = 90,000$

No overtime

Xavier

Normal: $200 \text{ hours} \times 500 = 100,000$

Overtime: $20 \times 750 = 15,000$

Total = 115,000

Yusufu

Normal: $200 \text{ hours} \times 450 = 90,000$

No overtime

Zainabu

Normal: $200 \text{ hours} \times 600 = 120,000$

Overtime: $40 \times 900 = 36,000$

Total = 156,000

Summary:

Walter – 90,000

Xavier – 115,000

Yusufu – 90,000

Zainabu – 156,000

4. Prepare a balance sheet as at 31st December 2004

Joyce & Company Certified Public Accountants

Balance Sheet as at 31st December 2004

Assets

Current Assets:

Accounts receivable – 1,250,000

Supplies stock – 110,000
Bank (balancing figure) – (not given)

Non-current Assets:

Office equipment – 960,000
Less: Accumulated depreciation – 360,000
Net – 600,000

Office furniture – 1,100,000
Less: Accumulated depreciation – 380,000
Net – 720,000

Total Assets – $1,250,000 + 110,000 + 600,000 + 720,000 = 2,680,000$

Liabilities

Accounts payable – 330,000
Salaries payable – 200,000
Total liabilities – 530,000

Capital

Joyce capital – 1,900,000
Less: Drawings – 400,000
Net capital – 1,500,000
Add: Net income (balancing figure) – 650,000
Total capital – 2,150,000

Total liabilities and capital – $530,000 + 2,150,000 = 2,680,000$

5. Branch Stock Account

(for the year ended 31st December 2003, at invoice price)

Dr

Stock on hand 1.1.2003.....4,400
Goods sent from Head Office.....24,800

Cr

Returns to Head Office.....1,000
Goods stolen.....600
Normal loss due to wastage.....100
Stock on hand 31.12.2003.....3,948
Goods sold (Balancing figure).....23,552
(Total sales = 21,000 credit + 2,400 cash = 23,400
Add discount 428 + bad debts 148 = 576

So total = 23,976 – 24 (loading element) = 23,552)

Total both sides = 29,200

Branch Total Debtors Account
(for the year ended 31st December 2003)

Dr

Balance b/d 1.1.2003.....	3,946
Credit sales.....	21,000

Cr

Cash from debtors.....	22,400
Bad debts written off.....	148
Cash discount allowed.....	428
Balance c/d 31.12.2003 (bal. fig.).....	1,970

Total both sides = 24,946