BOOK-KEEPING - FORM IV - 2019
Solutions

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QUESTION 1

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	xi	xii	xiii	xiv	xv
D	A	C	D	B	A	C	A	D	C	A	B	E	A	C

QUESTION 2

(i)	(ii)	(iii)	(iv)	(v)
F	E	G	B	D

QUESTION 3

(a) **Business entity** states that every business must be separated
(b) **Money measurement concept** states that a business should only record transaction that expressed in terms of money.
(c) **Accruals** is the bookkeeping concept which states that profit is the difference between expected revenue and the expenses incurred.
(d) **Going concern** refer to assumption that a business is to continue for the foreseeable future
(e) **Dual aspect** means every business transaction must be recorded twice

QUESTION 4

The following are provisions of the partnership act if there is no partnership agreement

i) No interest on drawings
ii) No interest on capital
iii) Profits and losses should be shared equally
iv) 5% interest should be charged to any loan made to the partnership by a partner.
v) All partners have rights to make decision

QUESTION 5

DR CAPITAL A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
31.8.2016	Balance c/d	94,000	1.8.2016	Cash	94,000
-	-	**94,000**	-	-	**94,000**
			1.9.2016	Balance b/d	94,000

DR SALES A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
31.8.2016	Balance c/d	22,180	29.8.2016	Cash	22,180
-	-	**22,180**	-	-	**22,180**
			1.9.2016	Balance b/d	22,180

DR WAGES A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
5.8.2016	Bank	8,000	31.8.2016	Balance c/d	8,000
		8,000			**8,000**
1.9.2016	Balance b/d	8,000			

DR PURCHASES A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
7.8.2016	Cash	2,362	31.8.2016	Balance c/d	2,362
		2,362			**2,362**
1.9.2016	Balance b/d	2,362			

DR MOTOR VAN A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
17.8.2016	Bank	69,000	31.8.2016	Balance c/d	69,000
		69,000			**69,000**
1.9.2016	Balance b/d	69,000			

DR FIRELIGHTER A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
28.8.2016	Bank	2,800	31.8.2016	Balance c/d	2,800
		2,800			**2,800**
1.9.2016	Balance b/d	2,800			

DR RENT A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
30.8.2016	Cash	3,818	31.8.2016	Balance c/d	3,818
		3,818			**3,818**
1.9.2016	Balance b/d	3,818			

QUESTION 6

DOWN TOWN SPORTS CLUB

DR STATEMENT OF AFFAIRS AS AT 31.12.2018 CR

ASETS		TZS	CAPITAL AND LIABILITIES	TZS
Fixed Assets			Accumulated fund	1,197,500
Motor van	250,000			
Fixtures	80,000			
Building	125,000			

Equipment	50,000			
		505,000		-
Current Assets				-
Stock	190,000		**LIABILITIES**	
Debtors	310,000		**Long term Liabilities**	
Bank	375,000		Bank loan	100,000
Cash	15,000			
Insurance	6,000		**Current Liabilities**	
		896,000	Creditors	90,000
	-		Salaries	9,500
	-	-	Prepaid income	4,000
-	-	**1,401,000**	-	**1,401,000**

STATEMENT FOR PROFIT OR LOSS FOR THE YEAR ENDED 31. 12. 2018

DETAILS	TZS	TZS
Capital at close	1,197,500	
Add: Drawings	260,000	
		1,457,500
Less: Capital at start		954100
Net profit	-	**503,400**

QUESTION 7

DR BANK A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Balance b/d	200,000	30.9.2018	Navona	810,000
30.9.2018	Mkombozi	400,000	30.9.2018	Bhoke	25,000
30.9.2018	Uzalendo	50,000			
30.9.2018	Balance c/d	185,000			-
		835,000	-	-	**835,000**
			1.10.2018	Balance b/d	185,000

DR CASH A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Balance b/d	120,000	1.9.2018	Salaries and wages	50,000
				General expenses	15,000
				Rent and rates	22,000
			30.9.2018	Balance c/d	33,000
		120,000	-	-	**120,000**
1.10.2018	Balance b/d	33,000			

DR DISCOUNT ALLOWED A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Mkombozi (500,000 × 20%	100,000	30.9.2018	Profit and loss	100,000
-	-	**100,000**	-	-	**100,000**

DR DISCOUNT RECEIVED A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
30.9.2018	Profit and loss	90,000	1.9.2018	Navona (900,000 × 10%	90,000
-	-	**90,000**	-	-	**90,000**

DR BAD DEBTS A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Ujamaa	180,000	30.9.2018	Balance c/d	180,000
-	-	**180,000**	-	-	**180,000**
1.10.2018	Balance b/d	180,000			

SALES LEDGER

DR MKOMBOZI A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Balance b/d	500,000	30.9.2018	Discount allowed	100,000
			30.9.2018	Bank	400,000
-	-	**500,000**	-	-	**500,000**

DR UJAMAA A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Balance b/d	180,000	30.9.2018	Balance c/d	180,000
-	-	**180,000**	-	-	**180,000**
1.10.2018	Balance b/d	180,000			

DR UZALENDO A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
1.9.2018	Balance b/d	50,000	30.9.2018	Bank	50,000
-	-	**50,000**	-	-	**50,000**

PURCHASES LEDGER

DR NAVONA A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
30.9.2018	Discount received	90,000	1.9.2018	Balance b/d	900,000

30.9.2018	Bank	810,000			-
-	-	**900,000**	-	-	**900,000**

DR BHOKE A/C CR

DATE	DETAILS	TZS	DATE	DETAILS	TZS
30.9.2018	Bank	25,000	1.9.2018	Balance b/d	25,000
-	-	**25,000**	-	-	**25,000**

QUESTION 8

MRS. PAMBA

DR THREE COLUMN CASHBOOK CR

DATE	DETAILS	F	CASH	BANK	DISC. ALLOWED	DATE	DETAILS	F	CASH	BANK	DISC. RECEIVED
2017 Apr 1	Balance b/d		62,000	714,200		2017 Aprl 4	Rates	5		43,000	
2	G.George(w1	2		24,700	1,300	8	R.Robert(w2)	8		69,840	2,160
	P.Peter(w1)	3		30,400	1,600		G.Green(w2)	9		93,120	2,880
	T.Tabu(w1)	4		39,900	2,100		L.Lamona(w2)	10		155,200	4,800
6	F.Fabian	7		500,000		10	General expenses	11	8,100		
12	J.Juma	12		8,800	200	15	Salaries	13	58,000		
21	Bank	"C"	40,000			21	Cah	"C"		40,000	-
30	Commission	16		12,000		24	Drawings	14	20,000		
						25	Motor van	15		72,000	
						30	Balance c/d		15,900	856,840	
-	-		**102,000**	**1,330,000**	**5,200**	-	-		**102,000**	**1,330,000**	**9,840**
2017 May 1	Balance b/d		15,900	856,840							

DR DISCOUNT ALLOWED A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
30.4.2017	Sundry Debtors	**5,200**	30.4.2017	Profit and loss	**5,200**

DR DISCOUNT RECEIVED A/C CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
30.4.2017	Profit and loss	**9,840**	30.4.2017	Sundry Creditors	**9,840**

QUESTION 9

MR. MASHAMBA

STATEMENT OF MANUFACTURING COST FOR THE YEAR ENDING 31.12.2018

DETAILS	**TZS**	**TZS**
Opening stock of raw materials		420,000
Add: purchases	7,400,000	-
Carriage in	70,000	-
		7,470,000
Cost of raw materials available for use		**7,890,000**
Less: closing stock of raw materials		480,000
Cost of raw materials consumed		**7,410,000**
Add: Direct Expenses		
Wages	3,600,000	
Royalties	140,000	3,740,000
Prime cost		**11,150,000**
Add: Factory overhead Expenses		
Indirect wages	2,900,000	
Depreciation-Machinery and plant (5,600,000×10%)	560,000	
Other factory expenses	620,000	
Lighting and heating(150,000× 5/6)	125,000	
Factory power and fuel	274,000	
Rent(240,000× 5/6)	200,000	
Insurance(84,000× 5/6)	70,000	
		4,749,000
		15,899,000
Add: work in progress at start		270,000
		16,169,000
Less: work in progress at close		300,000
Production cost of goods completed		**15,869,000**

MR. MASHAMBA

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2018

DETAILS	**TZS**	**TZS**
ASSETS		
FIXED ASSETS		-
Machinery and plant at cost	5,600,000	-
Less: Total epreciation(w1)	1,560,000	
		4,040,000
Office fixtures at cost	400,000	
Less: Total epreciation(w2)	200,000	
		200,000
Total fixed asset		**4,240,000**
CURRENT ASSETS		
Stock of raw materials	480,000	
Stock of finished goods	800,000	
Stock of work in progress	300,000	
Account receivables	2,846,000	
Cash at bank	336,000	
Cash in hand	30,000	
		4,792,000
Total Assets		**9,032,000**
FINANCED BY CAPITAL AND LIABILITIES		
Capital	7,156,000	
Add: net profit	1,796,000	
	8,952,000	
Less: drawings	1,200,000	
Net capital		7,752,000
CURRENT LIABILITIES		
Account payable		1,280,000
		9,032,000

Workings:
(w1) Depreciation of machinery and plant = 5,600,000 × 10% = 560,000
Provision for depreciation = 5,600,000 – 4,600,000 = 1,000,000
Total depreciation = 1,000,000 + 560,000 = 1,560,000

(W2) Depreciation of office fixtures = 400,000 × 10% = 40,000
Provision for depreciation = 400,000 – 240,000 = 160,000
Total depreciation = 160,000 + 40,000 = 200,000