

BOOK KEEPING FTNA 2016 (ANSWERS)

Solutions from: [Maktaba by TETEA](https://maktaba.tetea.org)

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QUESTION 1

i	ii	iii	iv	v	vi	vii	viii	ix	x
D	A	A	B	B	D	C	A	D	B

QUESTION 2

i	ii	iii	iv	v	vi	vii	viii	ix	x
C	M	E	G	A	I	B	L	D	J

QUESTION 3

Sources of government revenue

- i. **Direct taxes** are income charged directly from individuals. Eg. income tax, road license
- ii. **Indirect taxes** are income charged directly on consumers' commodities. Eg. sales tax, import tax
- iii. **Licenses and fees** are income charged for services issued by the government. Eg. Business licenses, school fees
- iv. **Revenue from public property** are income received for renting the property of the government.
- v. **Fines and penalties** are amount charged on individuals who do not obey the law of the country
- vi. **Dividends from parastatals.** Parastatals are business organisations that are owned by the government or where the government has a large shareholding percentage
- vii. **Interest received from investments**
- viii. **Loans**

QUESTION 4

S/N	ASSET	LIABILITIES	CAPITAL
(i)	72,000	28,000	<u>44,000</u>
(ii)	144,000	<u>56,000</u>	88,000
(iii)	<u>130,000</u>	100,000	30,000
(iv)	20,000	5,400	<u>14,600</u>
(v)	122,600	42,200	80,400

Workings:

$$(i) \text{ Asset} = \text{Capital} + \text{Liabilities}$$

$$72,000 = \text{Capital} + 28,000$$

$$72,000 - 28,000 = \text{Capital}$$

$Capital = 44,000$

(ii) $Asset = Capital + Liabilities$

$144,000 = 88,000 + Liabilities$

$144,000 - 88,000 = Liabilities$

$Liabilities = 56,000$

(iii) $Asset = Capital + Liabilities$

$Asset = 30,000 + 100,000$

$Asset = 130,000$

(iv) $Asset = Capital + Liabilities$

$20,000 = Capital + 5,400$

$Capital = 20,000 - 5,400$

$Capital = 14,600$

(v) $Asset = Capital + Liabilities$

$Asset = 80,400 + 42,200$

$Asset = 122,600$

QUESTION 5

DR				CAPITAL ACCOUNT				CR			
DATE	PARTICULARS	FOLIO	AMOUNT	DATE	PARTICULARS	FOLIO	AMOUNT				
31/1/2010	Balance c/d		100,000	1/1/2010	Cash		100,000				
			100,000								100,000
				1/2/2010	Balance b/d		100,000				

DR				SALES ACCOUNT				CR			
DATE	PARTICULARS	FOLIO	AMOUNT	DATE	PARTICULARS	FOLIO	AMOUNT				
31/1/2010	Balance c/d		122,000	3/1/2010	Cash		80,000				
				18/1/2010	Cash		42,000				
			122,000								122,000
				1/2/2010	Balance b/d		122,000				

DR				SALES ACCOUNT				CR			
DATE	PARTICULARS	FOLIO	AMOUNT	DATE	PARTICULARS	FOLIO	AMOUNT				
1/1/2010	Cash	CB1	35,000	3/1/2010	Balance c/d		85,000				
5/1/2010	Cash	CB1	50,000								
			85,000								85,000
1/2/2010	Balance b/d		85,000								

DR				FURNITURE ACCOUNT				CR			
DATE	PARTICULARS	FOLIO	AMOUNT	DATE	PARTICULARS	FOLIO	AMOUNT				

10/1/2010	Cash	CB1	25,000	3/1/2010	Balance c/d		25,000
			25,000				25,000
1/2/2010	Balance b/d		25,000				

QUESTION 6

G.K. TRADERS

DR TRADING AND PROFIT AND LOSS A/C FOR THE YEAR ENDED 30. 06. 2009

CR

DETAILS	SH.	DETAILS	SH.
Opening stock	20,000	Sales	266,000
Add: purchases	<u>154,000</u>		
Cost of goods available for sale	174,000		
Less: closing stock	<u>18,000</u>		
Cost of goods sold	156,000		
Gross profit c/d	<u>110,000</u>		
	266,000		266,000
		Gross profit b/d	110,000
EXPENSES		ADD: OTHER INCOMES	
Rent	3,800	Commission received	<u>3,000</u>
Lighting	2,000		113,000
Salaries and wages	35,000		
Lighting and building	<u>74,400</u>	Net loss c/d	<u>2,200</u>
	115,200		115,200
Net loss b/d	2,200		

QUESTION 7

(a)

N. TRADERS

DR

ADJUSTED CASH BOOK

CR

DATE	DETAILS	TSH	DATE	DETAILS	TSH
1/1/2009	Balance b/d	420,000	2008	Bank charges	18,000
2008	Bank interest received	15,000			
2008	Cash deposited	120,000	2008	Standing orders- telephone charges	145,000
			31/12/2008	Balance c/d	392,000
		555,000			435,000
1/1/2009	Balance b/d	392,000			

(b)

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N. TRADERS

BANK RECONCILIATION STATEMENT AS AT 31/12/2008

DETAILS	TSH
Balance as per bank statement	396,000
Add: uncredited cheques:	
Nangasa	100,000
	496,000
Less: unpresented cheques:	
Ngesa	104,000
Balance as per adjusted cash book	<u>392,000</u>