*Student's Assessment Number*_____

# THE UNITED REPUBLIC OF TANZANIA
# NATIONAL EXAMINATIONS COUNCIL OF TANZANIA
# FORM TWO NATIONAL ASSESSMENT

**062** **BOOK KEEPING**

**Duration: 2:30 Hours** **Year: 2025**

## Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in the spaces provided.
3. Section A carries **fifteen (15)** marks, section B **forty (40)** marks and section C carries **forty five (45)** marks.
4. All writing must be in **blue** or **black** ink.
5. Non programmable calculators may be used.
6. Communication devices and any unauthorised materials are **not** allowed in the assessment room.
7. Write your **Assessment Number** at the top right hand corner of every page.

| FOR ASSESSOR'S USE ONLY | | |
|---|---|---|
| QUESTION NUMBER | SCORE | ASSESSOR'S INITIALS |
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| TOTAL | | |
| CHECKER'S INITIALS | | |

2 519062 100019

## SECTION A (15 Marks)

Answer **all** questions in this section.

1. For each of the items (i) – (x), choose the correct answer from among the given alternatives and write its letter in the box provided.

(i) Which statement best describe the concept of capital?

A Resources owed by owner to business.
B Resources invested in business by business owner.
C Resources accumulated by business owner.
D Resources retained in business by business owner.

(ii) The following errors are corrected through the suspense account, **except**

A purchases account understated.
B sale of goods entered in the cash book only.
C discounts allowed credited to sales account.
D wages paid not recorded in the accounts.

(iii) Which one plays the role of a ledger account and book of original entry?

A Sales journal B Purchases day book
C General journal D Cash book

(iv) Which one describes an accounting entry for the purchase of motor vehicle for cash?

A Increase in purchases account, decrease in cash account
B Increase in motor vehicles account, decrease in cash account
C Increase in cash account, decrease in purchases account
D Increase in cash account, decrease in motor vehicle account

(v) Mwanampiga started business with TZS 6,000,000 in cash. What would be the double entry for recording this transaction?

A Dr Cash account, Cr Capital account
B Dr Capital account, Cr Cash account
C Dr Mwanampiga account, Cr Cash account
D Dr Cash account, Cr Mwanampiga account

(vi) The following items can be shown in the Trial Balance, **except**

A value of opening inventory.
B value of closing inventory.
C value of loan from a relative.
D value of loan from bank.

(vii) The balances extracted from the books of Simba Traders shows the amount of assets as TZS 60,200,000 and accounts payable of TZS 18,200,000. What would be the amount of capital?

A TZS 42,000,000 B TZS 24,000,000
C TZS 23,800,000 D TZS 18,020,000

(viii) On 30th June 2025 the cash book had a credit balance of TZS 659,000 and the bank statement at that date showed: Credit transfer of TZS 61,500, Standing order of TZS 100,000 and bank charges of TZS 50,000. How much would be the adjusted cash book balance?

A TZS 659,000 B TZS 61,500
C TZS 720,500 D TZS 747,500

(ix) Miss Monica, a petty cashier received a float of TZS 500,000 from Mr. Juma, the chief accountant. Expenses incurred and paid by Miss Monica during the period were: Cleaning 25,000, Bus fare 50,000 and Stationery 75,000. How much would be the balance of the petty cash book at the end of the period?

A TZS 150,000 B TZS 350,000
C TZS 500,000 D TZS 650,000

(x) Miriam sold goods for TZS 250,000 allowing TZS 42,000 cash discount. How much will be received from the customer?

A TZS 292,000 B TZS 250,000
C TZS 208,000 D TZS 42,000

2. For each of the items (i) - (v), match the descriptions of the government accounting officers in **List A** with their corresponding titles in **List B** by writing the letter of the correct response below the item number in the table provided.

| List A | List B |
|---|---|
| (i) A person appointed in writing by the president of United Republic of Tanzania to carry on the control of public funds and their audit. | A Sub- accounting officer |
| (ii) A person appointed by the accounting officer to control public expenditure on his behalf. | B Accounting officer |
| (iii) An officer appointed by the receiver of revenues and charged with the duty of collecting and accounting for revenues on his/her behalf. | C Controller and Auditor General |
| (iv) A member of staff assigned by a relevant Accounting officer to receive or make payment of money on his/her behalf. | D Pay Master General |
| (v) A person appointed in writing by the Accounting officer and charged with duty of controlling and accounting for government expenditure. | E Warrant Holder |
| | F Collector of revenue |
| | G Authorized officer |

**Answers**

| **List A** | (i) | (ii) | (iii) | (iv) | (v) |
|---|---|---|---|---|---|
| **List B** | | | | | |

**SECTION B (40 Marks)**

Answer **all** questions in this section.

3. Classify each of the accounts (i) - (x) by writing Real, Nominal or Personal in the class of account column.

| S/N | Account | Class of Account |
|---|---|---|
| (i) | Plant and machinery | |
| (ii) | Wages account | |
| (iii) | Interest received account | |
| (iv) | Profit or loss account | |
| (v) | Creditors account | |
| (vi) | Habiba account | |
| (vii) | Johaness school account | |
| (viii) | Discount received account | |
| (ix) | Premises account | |
| (x) | Returns inwards account | |

4. The cash book (bank column) of Kayumba as at 31st December 2024 showed a debit balance of TZS 750,000 while the bank statement showed a credit balance of TZS 1,475,000. Kayumba was curious to know why the two balances related to his cash in hand and cash at bank were different. The cross-checking between the cash book and bank statement revealed the following as causes for the difference:

(i) Direct income of TZS 120,000 had been received directly through the bank.

(ii) TZS 15,000 had been charged by the bank as a service cost.

(iii) Credit transfer of TZS 130,000 had been made to Himo.

(iv) Direct debit of TZS 35,000 for TV subscription has been made.

(v) A standing order of TZS 100,000 for insurance has been made.

(vi) Deposit account balance of Kayumba's TZS 700,000 was transferred to his current account.

(vii) Cheques paid into bank but not yet credited were:
Mura TZS 150,000
Jara TZS 100,000
Joha TZS 95,000

(viii) Cheques paid to suppliers but had not been presented for payment at the bank:
Zozo TZS 125,000

Tawa TZS 70,000
Shema TZS 75,000

Adjust the Cash Book and prepare a Bank Reconciliation Statement for the month ending 31st December, 2024 starting with the balance as per adjusted cash book.

5. The following transactions (i) - (iii) were made by Mr. Mgaza, a sole proprietor for the month of March, 2025. For each of the transactions, compute the discounts and the amounts to be received or paid by Mr. Mgaza:

(i) Sold goods on credit to Ms. Charaza TZS 2,000,000. Less 10% trade discount and 6% cash discount if payment is made within 30 days, Ms. Charaza paid the debt within the discount period.

(ii) Purchases invoice showed 30 bags of rice bought at TZS 100,000 each less 20% trade discount and 2% cash discount if payment is made within 15 days. Mr. Mgaza paid the debt after 20 days.

(iii) Paid Mr. Chilumba TZS 2,500,000 by cheque less 5% cash discount.

6. Kambale prepared a Trial Balance which failed to agree on 31st December 2024. The following errors were discovered after careful investigation:

(i) Discount received TZS 400,000 had been debited in discount received account.
(ii) TZS 100,000 paid to Alponso had not been recorded in his account.
(iii) Goods worth TZS 30,000 taken for own use had been recorded in the purchases account only.
(iv) No entry has been made in sales account for TZS 300,000.
(v) Purchases journal had been under cast by TZS 200,000.
(vi) Wages TZS 600,000 had been credited in the wages account.
(vii) TZS 50,000 cheque received from Juma had not been recorded in his personal account.
(viii) Extra capital of TZS 1,000,000 had not been recorded in the capital account.
(ix) Creditors account had been overcast by TZS 90,000.
(x) TZS 80,000 for rent paid had been debited in rent received account.

Rectify the errors by Journal entries.

## SECTION C (45 Marks)

Answer **all** questions in this section.

7. The following information has been extracted from the accounting records of Mafinga Resort for the year ending 31st December 2024:

Mafinga Resort Trial Balance as at 31st December, 2024

| Details | Dr TZS | Cr TZS |
|---|---|---|
| Purchases | 2,160,000 | |
| Inventory at start | 360,000 | |
| Carriage on sales | 90,000 | |
| Discount allowed | 24,000 | |
| Interest received | | 7,800 |
| Sales | | 3,900,000 |
| Return outwards | | 45,000 |
| Bank overdraft | | 360,000 |
| Rent and Rates | 148,800 | |
| Sundry debtors | 54,000 | |
| Capital | | 3,690,000 |
| Sundry creditors | | 108,000 |
| Cash in hand | 468,000 | |
| Salaries | 90,000 | |
| Land | 390,000 | |
| Drawings | 330,000 | |
| Furniture & fittings | 186,000 | |
| Return inwards | 300,000 | |
| Motor van | 3,510,000 | |
| **Total** | **8,110,800** | **8,110,800** |

Additional Information:
Closing inventory at 31st December, 2024 was TZS 225,000.

Use the information provided to prepare Mafinga Resort's Income Statement for the year ending 31st December 2024 and Statement of Financial Position as at 31st December 2024.

8. Manisha is a sole trader at Mapinga area in the cost region. He prepared the following statement of financial position as at 31st December 2024 which failed to balance, he placed the difference to a newly opened suspense account waiting for investigation:

Manisha's Statement of Financial Position as at 31st December, 2024

| Assets | TZS | TZS |
|---|---|---|
| **Non-Current Assets** | | |
| Machine | | 1,400,000 |
| **Current Assets** | | |
| Inventory | 700,000 | |
| Debtors | 600,000 | |
| Bank | 240,000 | |
| Cash | 100,000 | 1,640,000 |
| Suspense | | 60,000 |
| **Total Assets** | | **3,100,000** |
| **Capital and Liabilities** | | |
| Capital at start | | 2,000,000 |
| Add: Net profit | | 1,400,000 |
| | | 3,400,000 |
| Less: Drawings | | 900,000 |
| | | 2,500,000 |
| **Current Liabilities** | | |
| Creditors | | 600,000 |
| **Total Capital and Liabilities** | | **3,100,000** |

After careful investigation, the following errors were discovered:

(i) Sales were overcast by TZS 70,000.
(ii) Rent was under cast by TZS 20,000.
(iii) Rates were over cast by TZS 50,000.
(iv) Cash payment to a creditor was entered in the cash book as TZS 30,000.
(v) Drawings by cheque of TZS 180,000 were not recorded.
(vi) A purchase of goods by cheque TZS 95,000 was entered in the books as TZS 59,000.
(vii) Discounts received account was under cast by TZS 10,000.
(viii) Discounts allowed of TZS 10,000 were posted into carriage outwards.

Use the information provided to prepare Journal entries to correct the errors and a Statement of Corrected Net Profit for the year ending 31st December, 2024.

9. Dareda Enterprises maintains a Three Column Cash Book for recording financial business transactions. During the Month to 30th June 2024 the Enterprise had the following transactions:

| | |
|---|---|
| June 1 | Balances: Cash TZS 42,000; Bank overdraft TZS 336,000. |
| 3 | Received a bank transfer of TZS 29,250 from Omega, in full settlement of a debt of TZS 30,000. |
| 5 | Received cash TZS 8,900 from T. Francis, in full settlement of a debt of TZS 10,000. |
| 8 | Paid by bank transfer TZS 60,000 to Irene receiving a cash discount of 20 per cent. |
| 10 | Paid wages in cash TZS 24,750. |
| 12 | Paid A. Morris in cash TZS 15,000 less 20 per cent cash discount. |
| 16 | Withdrew cash from bank TZS 30,000 for business use. |
| 18 | Received a bank transfer of TZS 96,000 from Nice in full settlement of a debt of TZS 100,500. |
| 20 | Paid cash to Jumanne TZS 11,700. |
| 24 | Paid by bank transfer TZS 9,750 to Damas in full settlement of a debt of TZS 10,000. |
| 26 | Paid telephone expenses TZS 15,750 in cash. |
| 28 | Received a cheque for TZS 36,000 from Ramadhan in full settlement of his account after deducting 20 per cent cash discount. |
| 30 | Received cash TZS 6,750 from Juma. |

Enter the balances and record the transactions for June 2024 in the Three Column Cash Book, total the discounts columns and balance the cash and bank columns on 30th June and bring down the balances on 1st July 2024.