

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION AND VOCATIONAL TRAINING
FORM TWO SECONDARY EDUCATION EXAMINATION, 2008**

0062

BOOK KEEPING

TIME: 2 HOURS

INSTRUCTIONS

1. This paper consists of sections A, B and C.
2. Attempt **ALL** questions.
3. Read carefully the instructions given under each section.
4. **ALL** answers should be written in the answer sheet(s) provided.
5. Write your examination number on every page of the answer sheet(s).
6. **ALL** writing must be in blue or black ink.
7. Cellphones and calculators are **NOT** allowed in the examination room.

SECTION A (20 MARKS)

1. For each of the following items write the letter of the correct answer.

- (i) If the assets of a business amount to Tshs. 85,000/= and owner's capital is Tshs. 60,000/=.
How much is the liabilities of the business?
- A. Tshs. 25,000/=
 - B. Tshs. 40,000/=
 - C. Tshs. 45,000/=
 - D. Tshs. 80,000/=
- (ii) Katubi bought goods valued Tshs. 60,000/= on credit from Mwambasha. Therefore Mwambasha is a:
- A. customer
 - B. creditor
 - C. debtor
 - D. purchaser.
- (iii) Given a desired cash float of Tshs. 10,000/=, if Tshs. 7,200/= is spent, how much will be reimbursed:
- A. Tshs. 2,800/=
 - B. Tshs. 7,200/=
 - C. Tshs. 7,300/=
 - D. Tshs. 10,000/=
- (iv) Which of the following is correct?
- A. Capital can only come from profit
 - B. Profit does not change capital
 - C. Profit increases capital
 - D. Profit reduces capital.
- (v) An officer who controls Public Money is known as:
- A. Authorized officer
 - B. Accounting Officer
 - C. Paymaster General
 - D. Receiver of Revenue.
- (vi) In the Trading Account the Returns Inwards should be:
- A. added to the cost of goods sold
 - B. added to sales
 - C. deducted from purchases
 - D. deducted from sales.

(vii) The arithmetical accuracy of the double entry system of business transactions is checked from the:

- A. Balance Sheet
- B. Final Accounts
- C. Income Statements
- D. Trial Balance.

(viii) The sale of goods on credit to Maganga should be recorded in:

	DEBIT	CREDIT
A.	Cash Account	Sales Account
B.	Maganga's Account	Cash Account
C.	Maganga's Account	Sales Account
D.	Sales Account	Maganga's Account

(ix) Capital and drawings accounts are classified as:

- A. Nominal Accounts
- B. Personal Accounts
- C. Properties Accounts
- D. Real Accounts.

(x) Which of the following is not correct?

	ASSETS (Tshs)	LIABILITIES (Tshs)	CAPITAL (Tshs)
A.	6,540	1,120	5,420
B.	7,850	1,250	6,600
C.	8,200	2,800	5,400
D.	9,550	1,150	8,200

2. Choose the correct term from **Group B** which matches with the explanation in **Group A** and write it against the number of the corresponding explanation.

Group A	Group B
(i) Transport cost for the goods to the customer.	A. Assets
(ii) Profit shown as a percentage of sales.	B. Business
(iii) Assets which can change day to day.	C. Capital Expenditure
(iv) Gross profit plus income is less than expenses.	D. Carriage on Sales
(v) Resources owned by a business.	E. Current Assets
(vi) Legal activities undertaken by a firm or an individual for the purpose of making profit.	F. Current liabilities
(vii) The excess of current assets over current liabilities.	G. Expenses
(viii) An instruction given by the customer to the bank to make regular payments on behalf.	H. Grants and Aids
(ix) The amount spent on acquiring fixed assets, such as machines, land and buildings.	I. Margin
(x) Costs of operating business.	J. Mark up
	K. Net Loss
	L. Net Profit
	M. Standing order
	N. Working Capital

SECTION B (20 MARKS)

3. Mention five sources of Government Funds.
4. Complete the following table and show which accounts are to be Debited and which are to be Credited.

	Transactions	Accounts to be Debited	Accounts to be Credited
	Example: Bought office furniture for cash.	Furniture A/C	Cash A/C
(i)	A debtor, "Mwangaza" pays us by cheque.		
(ii)	Bought goods for cash.		
(iii)	Withdrew cash from Bank for office use.		
(iv)	Sold goods for cash.		
(v)	Goods returned by us to Massawe.		

SECTION C (60 MARKS)

5. On 31st December 2007, the Cash Book balance of Kamwene was Tshs. 25,370/= whereas the Bank Statement showed a credit balance of Tshs. 25,670/=. In comparing these two balances, the following were discovered:-
- (a) Cheques not presented for payment Tshs. 12,340/=
- (b) Cheques paid into bank but not credited
by the bank Tshs. 12,160/=
- (c) Items shown in the Bank Statement
but not yet entered in the Cash Book:
- (i) Bank Charges Tshs. 240/=
- (ii) Standing order Tshs. 460/=
- (iii) Dividends collected by bank Tshs. 820/=

Required:

- (a) Adjust the Cash Book to show the correct Cash Book balance.
- (b) Prepare a Bank Reconciliation Statement starting with the adjusted Cash Book balance.

6. Rule a suitable Petty Cash Book of Mwananchi in January, 2007 with the following analysis payment columns: Postage, Travelling, Expenses, Sundry Expenses and Ledger.

- Jan. 1: Petty Cashier received imprest from main Cashier
Tshs. 40,000/=
- Jan. 2: Paid for stamps Tshs. 4,000/=, sugar Tshs. 8,000/=,
- Jan. 3: Paid for Daladala fare Tshs. 4,500/=;
- Jan. 4: Received cash Tshs. 7,500/= from an employee
payment voucher No.8.
- Jan. 5: Paid Juma Tshs. 10,000/=, Stati

7. From the following balances as extracted from the books of Kamwala, prepare Trading, Profit and Loss account for the year ending 31st December, 2007. Show clearly **Gross Profit or Loss** and the **Net Profit or Loss** for the year.

Sales	Tshs. 186,000/=
Purchases	Tshs. 115,5600/=
Opening stock (1.1.2007)	Tshs. 37,760/=
Carriage on sales	Tshs. 3,260/=
Carriage on purchases	Tshs. 2,340/=
Returns Inwards	Tshs. 4,400/=
Returns Outwards	Tshs. 3,550/=
Salaries and Wages	Tshs. 24,470/=
Motor expenses	Tshs. 6,640/=
Sundry Expenses	Tshs. 12,020/=
Closing Stock (31/12/2007)	Tshs. 49,980/=