



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CERTIFICATE IN STORES MANAGEMENT
CERTIFICATE IN BUSINESS MANAGEMENT

BAC 1101: BOOK KEEPING

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

This paper consists of Two Four printed pages.

QUESTION 1 (Compulsory)

The following shows the balances from the books of P. Boone's at 30th September 2011.

| | Shs. |
|---------------------------------------|-----------------------|
| Stock 30 th September 2011 | 23,680 |
| Purchases | 118,740 |
| Sales | 186,000 |
| Salaries and wages | 38,620 |
| Carriage outwards | 2,000 |
| Carriage inwards | 3,100 |
| Returns inwards | 2,050 |
| Return outwards | 3,220 |
| Purchases | 118,740 |
| Rent | 3,040 |
| Insurance | 780 |
| Motor expenses | 6,640 |
| Office expenses | 2,160 |
| Lighting and heating expenses | 1,660 |
| General expenses | 3,140 |
| Premises | 50,000 |
| Motor vehicle | 18,000 |
| Fixtures and fittings | 3,500 |
| Debtors | 38,960 |
| Creditors | 17,310 |
| Cash at bank | 4,820 |
| Drawings | 12,000 |
| Capital | <u>126,360</u> |
| | <u>665,780</u> |

Required:

- a) Prepare a trial balance as at the end of 30th September, 2011. **(10 marks)**
- b) Draw up a statement of financial position (Balance sheet) **(10 marks)**
- c) Explain the benefits of the double entry system of accounting. **(10 marks)**

QUESTION 2

The following are the first 12 transactions of a new business:

| | | |
|----------|------------------|--|
| February | 01 st | Put sh. 50,000 into a business bank account |
| | 01 st | Paid rent sh. 2,500 by cheque |
| | 01 st | Paid sh. 24,000 for office equipment, paying by cheque |
| | 03 rd | Bought goods for resale sh. 6,000 paying by cheque. |

| | |
|------------------|--|
| 04 th | Bought stationery for sh. 600 paying by cheque |
| 07 th | Sold goods for sh. 7,000 and immediately banked the cheque |
| 08 th | Paid wages sh. 1,600 paying by cheque |
| 12 th | Bought goods for resale sh. 5,900 paying by cheque |
| 12 th | Paid insurance premium sh. 1,700 paying by cheque |
| 13 th | Sold goods for sh. 5,000 and immediately banked the cheque |
| 16 th | paid wages sh. 1,600 paying by cheque |
| 18 th | Sold goods for sh. 1,500 and immediately banked the cheque |

Required:

- Record the above transactions in the relevant ledger account, and balance off the accounts. **(12 marks)**
- Prepare a trial balance as at the end of 18th February 2012. **(4 marks)**
- Explain briefly the difference between bookkeeping and accounting. **(4 marks)**

QUESTION 3

The following petty cash transactions took place in February 2012

February

| | | |
|------------------|---|-----|
| 01 st | Opening balance | 250 |
| 02 nd | Paid for stationery | 25 |
| 03 rd | Paid taxi fares | 21 |
| 07 th | Paid for office tea/coffee | 7 |
| 13 th | Paid taxi fares | 14 |
| 16 th | Paid for stationery | 22 |
| 22 nd | Paid taxi fares | 17 |
| 24 th | Paid taxi fares | 18 |
| 25 th | Paid for stationery | 25 |
| 25 th | Paid for office tea/coffee | 8 |
| 25 th | Paid taxi fares | 23 |
| 26 th | Paid for stationery | 12 |
| 26 th | Paid taxi fares | 20 |
| 28 th | Received from the main cashier amount required to make up the imprest to sh. 250. | |

Required:

- Record the above transactions in the petty cash book – use the following three headings, stationery; taxi fares, and office tea/coffee. **(14 marks)**
- Explain reasons for the occasional disagreement between the bank statement and cash book balances. **(6 marks)**

QUESTION 4

The following credit sales took place during February 2012:

February

| | |
|------------------|---------------------------------------|
| 01 st | Invoice for goods sh. 300 to Akwasi |
| 03 rd | Invoice for goods sh. 500 to Cindy |
| 04 th | Invoice for goods sh. 200 to Bruno |
| 06 th | Invoice for goods sh. 400 to Bruno |
| 11 th | Invoice for goods sh. 800 to Akwasi |
| 13 th | Invoice for goods sh. 600 to Cindy |
| 18 th | Invoice for goods sh. 700 to Akwasi |
| 21 st | Invoice for goods sh. 1,200 to Bruno |
| 24 th | Invoice for goods sh. 900 to Cindy |
| 28 th | Invoice for goods sh. 11,00 to Akwasi |

Akwasi is a new customer and sent in a cheque for s. 1,320 on 28th February 2012.

Required:

- Fully record the above transactions in the sales day book. **(10 marks)**
- State the amount to be posted to the sales account. **(2 marks)**
- Explain the purpose of day books. **(4 marks)**
- Write up the ledger account of Akwasi for the month of February 2012. **(4 marks)**

QUESTION 5

Explain the following accounting terminologies giving examples in each case:

- Liabilities **(2 marks)**
- Drawings **(2 marks)**
- Debtors **(2 marks)**
- Creditors **(2 marks)**
- Purchases **(2 marks)**
- Purchases return **(2 marks)**
- Sales **(2 marks)**
- Sales return **(2 marks)**
- Stock **(2 marks)**
- Revenue **(2 marks)**