



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CERTIFICATE IN STRATEGIC MANAGEMENT
CERTIFICATE IN BUSINESS MANAGEMENT

BAC 1104: BOOK KEEPING

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Five printed pages.

QUESTION 1 (Compulsory)

You work as an accountant to a small business called Hooley. The following Trial balance has been taken out on 31st August 2009.

	Dr.	Cr.
	Sh.	Sh.
Sales		385,000
Purchases	121,000	
Debtors	29,000	
Creditors		
Bank	2,000	
Cash	1,000	
Rent/rates and Insurance	38,000	
Communication expenses	11,000	
Return inwards	1,000	
Stock (01/09/08)	29,000	
Wages and Salaries	135,000	
Advertising expenses	24,000	
Travelling expenses	13,000	
Interest paid	2,000	
Drawings	27,000	
Premises	300,000	
Equipment at cost	100,000	
Longterm loan		70,000
Capital account	<u> </u>	<u>361,000</u>
	<u>833,000</u>	<u>833,000</u>

Tasks:

- a) i) Prepare the trading and profit and loss account for the year ended 31st August 2009. **(11 marks)**
ii) Prepare the balance sheet as at 31st August 2009. **(9 marks)**

NB. Closing stock as at 31st August 2009 is sh. 32,000.

- b) i) State **FIVE** elements of financial accounts. **(5 marks)**
ii) State **FIVE** users of financial statements. **(5 marks)**

QUESTION 2

S. Waweru starts business on 1st July 2009 he pays sh. 18,000 into business account. During the month of July, he undertakes the following transactions.

2009

July 3 rd	He purchases shop fittings for sh. 2,500 and pays cash.
4 th	He buys a motor vehicle from AB & Co. on credit sh. 3,000
6 th	He buys stock for sh. 1,500 and pays cash
8 th	Sells goods for cash sh. 1,000
10 th	Buys goods on credit from XY & Co. for sh. 1,200
12 th	Sells goods to A. Smiths for sh. 900 on credit
13 th	Pays wages sh. 120 by cash
15 th	Pays to AB & Co. sh. 3,000 cash
21 st	Receives from A. Smith a cheque for sh. 900
25 th	Sells goods for cash sh. 300
30 th	Pays general expenses sh. 80 by cash
31 st	Draws sh. 50 out of b/s for his personal use

You are required to journalize the above transactions.

(20 marks)

QUESTION 3

- a) Enter the following transactions in a petty cash book having analysis columns for carriage, travelling expenses, office expenses and stationery. Keep the book the imprest system, the amount of imprest being sh. 2500.

2010

February 1 st	Petty cash in hand sh. 2,500
1 st	Paid bus fare shs. 370; carriage shs. 140
2 nd	Paid bus fare sh. 180, office expenses sh. 120
3 rd	Bought stationery for shs. 470
4 th	Paid carriage sh. 190; bus fare shs. 250
5 th	Bought stationery for shs. 230
6 th	Paid office expenses sh. 150

Balance the book as an February 6th 2010.

(15 marks)

- b) Distinguish between:

i) Financial accounting and book keeping.

(3 marks)

ii) Purchases journal and purchases account.

(2 marks)

QUESTION 4

You have the following details of the sales and purchases ledgers of a business:

	Shs.
Feb. 1 st : Total debtors	208,000
Total creditors	102,000
Transactions in February:	
Credit sales	216,000
Cash sales	5,000
Credit purchases	109,000
Cash purchases	3,000
Returns to credit suppliers	1,400
Returns from credit customers	1,800
Contras (set off)	2,400
Discount received	1,500
Discount allowed	3,500
Bad debts written off in February	1,100
Increase in provision for doubtful debts	500
Receipts from debtors	204,000
Payments to creditors	108,000

Required:

- a) Prepare the sales ledger control account as at 28th February. **(10 marks)**
- b) Explain the following accounting terminologies giving examples in each:
- i) Liabilities **(2 marks)**
 - ii) Drawings **(2 marks)**
 - iii) Debtors **(2 marks)**
 - iv) Creditors **(2 marks)**
 - v) Sales **(2 marks)**

QUESTION 5

The following transactions need to be written up in a three column cash book 2015

April 1 st	Debit balances brought forward bank sh. 7,200, cash sh. 750.
3 rd	Paid rent sh. 850 by cheque
5 th	Received the following cheques; Aron sh. 190, Brita sh. 380 and Chester sh. 475. All Three debtors have already been allowed a 5% cash discount
6 th	Paid wages sh. 750 by cash
8 th	Cash sales sh. 1,700
10 th	Paid cheques to the following suppliers; Delores sh. 190, Eden sh. 475 and Frankie Sh. 760. All three suppliers have already allowed a 5% cash discount.
12 th	Bought a vehicle sh. 12,000 by cheque.
20 th	Cash sales sh. 3,800
24 th	Paid sh. 2,900 of the cash into the bank
28 th	Paid wages sh. 890 by cash
29 th	Paid rent sh. 850 by cheque

Note: The balance on the discounts allowed account as at 1st April 2015 was sh. 765 and the balance on the discounts received account as at 1st April 2015 was sh. 1,130.

Tasks

- Write up the three-column cash book to record the above transactions.
- Update the discount allowed and discount received accounts.

(5 marks)