

# **TECHNICAL UNIVERSITY OF MOMBASA**

## ***School of Business Studies***

DEPARTMENT OF BUSINESS ADMINISTRATION

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

### **BAC 1101: BOOK KEEPING**

FINAL EXAMINATIONS

**SERIES:** MAY 2016

**TIME:** 2 HOURS

#### **INSTRUCTIONS:**

Answer question **ONE (Compulsory)** and any other **TWO** questions.

## QUESTION 1 (Compulsory)

- a) Define the following terms:
- i) Accounting **(2 marks)**
  - ii) Book keeping **(2 marks)**
- b) Briefly explain the users of accounting information. **(10 marks)**
- c) Enter the following transactions in the accounts of L Linda **(16 marks)**

2011

- March 1 Started in business with £20,000 in the bank
- 2 R Hughes lent us £5000 in cash
- 3 Bought goods on credit from B Brown £1,530 and I Jess £4,162
- 4 Sold goods for cash £1,910
- 6 Took £200 of the cash and paid it into the bank
- 8 Sold goods on credit to H Rise £1,374
- 10 Sold goods on credit to P Tyler £341
- 11 Bought goods on credit from B Brown £488
- 12 H Rise returned goods to us £65
- 14 Sold goods on credit to G. Pate £535 and R Sim £262
- 15 We returned goods to B Brown £94
- 17 Bought Van on credit from Aberdeen Cars Ltd £4,370
- 18 Bought Office furniture on credit from J Winter Ltd £1,800
- 19 We returned goods to I Jess £130
- 20 Bought goods for cash £390
- 24 Goods sold for cash £110
- 25 Paid money owing to B Brown by cheque £1,924
- 26 Goods returned to us by G. Pate £34
- 27 Returned some of office furniture costing £180 to J Winter Ltd.
- 28 L Linda put a further £2,500 into the business in the form of cash.
- 29 Paid Aberdeen cars Ltd £4,370 by cheque.
- 31 Bought office furniture for cash £365

## QUESTION 2

The following transactions were extracted from antiques shop, enter them in the accounts and extract a trial balance as at 31<sup>st</sup> March 2010.

2010

March	1	Started in business with £8,000 in the bank
	2	Bought goods on credit from the following person: L Frank £550, G Byers £290; P Lee £610
	5	Cash sales £510
	6	Paid wages in cash £110
	7	Sold goods on credit to J Snow £295 K Park £360; B Tyler £640
	9	Bought goods for cash £120
	10	Bought goods on credit from G. Byers £410, Plee £1,240
	12	Paid wages in cash £110
	13	Sold goods on credit to K Park £610; B Tyler £205
	15	Bought shop fixtures on credit from shop Ltd £740
	17	Paid G Byers by cheque £700
	18	We returned goods to P Lee £83
	21	Paid Stop Ltd a cheque for £740
	24	B Tyler paid us his accounts by cheque £845
	27	We returned goods to L Frank £18
	30	G Prince lent us £1,000 by cash
	31	Bought a van paying by cheque £6,250

## QUESTION 3

From the following trial balance of G. Still, draw up a trading and profit and loss account for the year ended 30<sup>th</sup> September 2010, and a balance sheet as at that date. **(20 marks)**

	<b>Dr.</b>	<b>Cr.</b>
Stock 1 <sup>st</sup> October 2010	4,1600	
Carriage outwards	2,100	
Carriage inwards	3,700	
Return inwards	1,540	
Return outwards		3,410
Purchases	188,430	
Sales		380,400
Salaries and wages	61,400	
Warehouse rent	3,700	
Insurance	1,356	
Motor expenses	1,910	
Office expenses	412	
Lighting and heating expenses	894	

General expenses	245	
Premises	92,000	
Motor vehicles	13,400	
Fixtures and fitting	1,900	
Debtors	42,560	
Creditors		31,600
Cash at bank	5,106	
Drawings	22,000	
Capital	_____	<u>68,843</u>
	<b><u>484,253</u></b>	<b><u>484,253</u></b>

#### QUESTION 4

- a) Name any **FIVE** books of original entry.
- b) Write up a two-column cashbook for a pine furniture shop from the following details balance it off as at the end of the month

2011

- May 1 started in business with capital in cash £1000
- 2 Paid rent by cash £230
- 3 G Broad lent us £2000, paid by cheque
- 4 We paid J Fine by cheque £860
- 5 Cash sales £190
- 7 F Love paid us by cheque £34
- 9 We paid A Moore in cash £92
- 11 Cash sales paid direct into the bank £151
- 15 P Hood paid us in cash £96
- 16 We repaid R Onions £500 by cheque
- 19 We took £100 out of the cash till and paid it into the bank account
- 22 Cash sales paid direct into the bank £122
- 26 Paid Motor expenses by cheque £75
- 30 Withdrew £200 cash from the bank for business use
- 31 Paid wages in cash of £320

#### QUESTION 5

Write brief explanatory notes on the following accounting terms:

- a) Fixed vs current assets **(5 marks)**
- b) Return inwards vs outwards **(5 marks)**
- c) Carriage outwards **(2 ½ marks)**
- d) Cash discounts **(2 ½ marks)**
- e) Accrued expenses **(2 ½ marks)**
- f) Prepayments **(2 ½ marks)**