



**TECHNICAL UNIVERSITY OF MOMBASA**  
***School of Humanities & Social Sciences***

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN TOURISM MANAGEMENT  
(DTM M12)

**BAC 2104: FINANCIAL ACCOUNTING**

SPECIAL/SUPPLEMENTARY EXAMINATIONS

**SERIES:** JUNE/JULY 2015

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- This paper consists of Sections **A** and **B**.
- Section **A** is **Compulsory**. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room.
- Cheating leads to disqualification.
- *This paper consists of Five printed pages.*

## SECTION A (Compulsory) 30 Marks

### QUESTION 1

- a) Write up the following transactions in the books of Neema and prepare a Trial Balance as at 31<sup>st</sup> March 2011:
- 2011
- March 1<sup>st</sup> Started business with cash £15,000
- 2<sup>nd</sup> Bought goods on credit from Harry £2,960
- 3<sup>rd</sup> Paid rent by cash £280
- 4<sup>th</sup> Paid £10,000 of the cash into a bank account
- 5<sup>th</sup> Sold goods on credit to Clinton £540
- 7<sup>th</sup> Bought stationery £150 paying by cheque
- 11<sup>th</sup> Cash sales £490
- 14<sup>th</sup> Goods returned by us to Harry £170
- 17<sup>th</sup> Sold goods on credit to Morgar £290
- 20<sup>th</sup> Paid for repairs by cash £180
- 22<sup>nd</sup> Clinton returned goods to us £140
- 27<sup>th</sup> Paid Harry by cheque £2,790
- 28<sup>th</sup> Cash purchases £1,250
- 29<sup>th</sup> Bought a van paying by cheque £3,950
- 30<sup>th</sup> Paid motor expenses in cash £150
- 31<sup>st</sup> Bought fixtures £1,200 on credit from Wema (20 marks)
- b) Elephant Sanctuary Reserve keeps proper books of accounts; discuss **SIX** stakeholders who may find their accounts useful and the relevance of this information to the stakeholders. (10 marks)

## SECTION B (Answer any TWO questions) 40 Marks

### QUESTION 2

- a) From the following Trial Balance of Gerald, prepare a trading and profit and loss account for the year ended 30<sup>th</sup> September 2009 and a balance sheet as at that date:

	Dr. (sh.)	Cr. (Sh.)
Stock (1 <sup>st</sup> October 2008)	236,800	
Carriage outwards	20,000	
Carriage inwards	31,000	
Returns inwards	20,500	
Returns outwards		32,200
Purchases	1,187,400	
Sales		1,860,000
Salaries and Wages	386,200	
Rent	30,400	
Insurance	7,800	

Motor expenses	66,400	
Office expenses	21,600	
Lighting and heating expenses	16,600	
General expenses	31,400	
Premises	500,000	
Motor vehicles	180,000	
Fixtures and fittings	35,000	
Debtors	389,600	
Creditors		173,100
Cash at bank	48,200	
Drawings	120,000	
Capital		<u>1,263,600</u>
	<u><b>3,328,900</b></u>	<u><b>3,328,900</b></u>

Stock at 30<sup>th</sup> September 2009 was sh. 294,600

b) Discuss **SIX** roles of accounting to business organizations. **(6 marks)**

### QUESTION 3

a) Enter the following information in a three column cashbook and balance it off at the end of the month;

2013

June	1 <sup>st</sup>	Balances brought forward: cash sh. 9,700; Bank sh. 218,600
	2 <sup>nd</sup>	The following paid us by cheque less 5% discount: Harry sh. 100,000; Peter Sh. 18,000
	3 <sup>rd</sup>	Cash sales paid direct into bank sh. 134,000
	5 <sup>th</sup>	Paid rent by cash sh. 8,800
	6 <sup>th</sup>	We paid the following accounts by cheque less 2 ½ % discount: Charlton sh. 40,000 Sobers sh. 64,000
	8 <sup>th</sup>	Withdrew cash from bank for business use sh. 25,000
	16 <sup>th</sup>	Paid wages by cash sh. 25,000
	20 <sup>th</sup>	Bought fixtures by cheque sh. 800,000
	29 <sup>th</sup>	Received sh. 16,900 from Steve
	30 <sup>th</sup>	Cash sales sh. 11,600
	30 <sup>th</sup>	Bought stationery paying by cash sh. 6,000

**(12 marks)**

b) Write short notes on the following:

- i) Matching concept
- ii) Accrual concept
- iii) Going concern
- iv) Money measurement concept

**(8 marks)**

## QUESTION 4

a)

<b>Cashbook</b>							
<b>Dr.</b>		<b>£</b>		<b>Cr.</b>		<b>£</b>	
<b>2009</b>				<b>2009</b>			
June	1	Bal. b/d	23,790	June	5	Blaise	1,500
	7	Griffin	1,580		12	Grey	4,330
	16	Silver	930		16	Stephen	880
	28	Brown	3,070		29	Impala club	570
	30	Black	<u>6,240</u>		30	Bal. c/d	<u>28,330</u>
			<b><u>35,610</u></b>				<b><u>35,610</u></b>

<b>BANK STATEMENT</b>				
		<b>Dr</b>	<b>Cr.</b>	<b>Balance</b>
<b>2009</b>				
June	1	Bal. b/d		23,790
	7	Cheque	1,580	25,370
	8	Blaise	1,500	23,870
	16	Cheque	930	24,800
	17	Greg	4,330	20,470
	18	Stephen	880	19,590
	28	Cheque	3,070	22,660
	29	Standing order	440	22,220
	30	John: Traders Credit	900	23,120
	30	Bank charges	700	23,420

- i) Write the cashbook up to date. **(6 marks)**
- ii) Draw up a bank reconciliation statement as on 30<sup>th</sup> June 2009. **(8 marks)**
- b) Explain the causes of differences between bank balance as per cashbook and bank balance as per bank statement. **(6 marks)**

## QUESTION 5

- a) Enter the following in the journals, post to personal accounts and show transfers to the general ledger

2010

July	1 <sup>st</sup>	Credit purchases from Hope Sh. 38,000; Norman sh. 50,000
	3 <sup>rd</sup>	Credit sales to; Reagan sh. 51,000; Philip sh. 24,600
	5 <sup>th</sup>	Credit purchases from: Morton sh. 20,000; David sh. 18,000
	8 <sup>th</sup>	Credit sales to:Greg sh. 30,700; Ferguson sh. 18,500
	12 <sup>th</sup>	Returns outwards to: Norman sh. 3,000; Hope sh. 1,600
	14 <sup>th</sup>	Returns inwards from: Philip sh. 1,800; Reagan sh. 2,200
	20 <sup>th</sup>	Credit sales to:Philip sh. 18,800; Power sh. 31,000
	24 <sup>th</sup>	Credit purchases from:Ferguson sh. 55,000; David sh. 90,000
	31 <sup>st</sup>	Returns inwards from: Philip sh. 2,700; Reagan sh. 1,100
	31 <sup>st</sup>	Returns outwards: Morton sh. 1,300; David sh. 1,100

**(15 marks)**

- b) List any **FIVE** source documents applied in organizations.

**(5 marks)**