



**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 31<sup>st</sup> August 2009.

	<b>Dr.</b>	<b>Cr.</b>
	<b>Sh.</b>	<b>Sh.</b>
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>361,000</u>
	<u><b>833,000</b></u>	<u><b>833,000</b></u>

Tasks:

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

NB. Closing stock as at 31<sup>st</sup> 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 1<sup>st</sup> July 2009 he pays sh. 18,000 into business account. During the month of July, he undertakes the following transactions.

2009

July 3 <sup>rd</sup>	He purchases shop fittings for sh. 2,500 and pays cash.
4 <sup>th</sup>	He buys a motor vehicle from AB & Co. on credit sh. 3,000
6 <sup>th</sup>	He buys stock for sh. 1,500 and pays cash
8 <sup>th</sup>	Sells goods for cash sh. 1,000
10 <sup>th</sup>	Buys goods on credit from XY & Co. for sh. 1,200
12 <sup>th</sup>	Sells goods to A. Smiths for sh. 900 on credit
13 <sup>th</sup>	Pays wages sh. 120 by cash
15 <sup>th</sup>	Pays to AB & Co. sh. 3,000 cash
21 <sup>st</sup>	Receives from A. Smith a cheque for sh. 900
25 <sup>th</sup>	Sells goods for cash sh. 300
30 <sup>th</sup>	Pays general expenses sh. 80 by cash
31 <sup>st</sup>	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 <sup>st</sup>	Petty cash in hand sh. 2,500
1 <sup>st</sup>	Paid bus fare shs. 370; carriage shs. 140
2 <sup>nd</sup>	Paid bus fare sh. 180, office expenses sh. 120
3 <sup>rd</sup>	Bought stationery for shs. 470
4 <sup>th</sup>	Paid carriage sh. 190; bus fare shs. 250
5 <sup>th</sup>	Bought stationery for shs. 230
6 <sup>th</sup>	Paid office expenses sh. 150

Balance the book as an February 6<sup>th</sup> 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:

	<b>Shs.</b>
Feb. 1 <sup>st</sup> : 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 28<sup>th</sup> 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 <sup>st</sup>	Debit balances brought forward bank sh. 7,200, cash sh. 750.
3 <sup>rd</sup>	Paid rent sh. 850 by cheque
5 <sup>th</sup>	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 <sup>th</sup>	Paid wages sh. 750 by cash
8 <sup>th</sup>	Cash sales sh. 1,700
10 <sup>th</sup>	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 <sup>th</sup>	Bought a vehicle sh. 12,000 by cheque.
20 <sup>th</sup>	Cash sales sh. 3,800
24 <sup>th</sup>	Paid sh. 2,900 of the cash into the bank
28 <sup>th</sup>	Paid wages sh. 890 by cash
29 <sup>th</sup>	Paid rent sh. 850 by cheque

**Note:** The balance on the discounts allowed account as at 1<sup>st</sup> April 2015 was sh. 765 and the balance on the discounts received account as at 1<sup>st</sup> 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)**