



**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 30<sup>th</sup> September 2011.

	<b>Shs.</b>
Stock 30 <sup>th</sup> 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>
	<b><u>665,780</u></b>

### Required:

- a) Prepare a trial balance as at the end of 30<sup>th</sup> 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 <sup>st</sup>	Put sh. 50,000 into a business bank account
	01 <sup>st</sup>	Paid rent sh. 2,500 by cheque
	01 <sup>st</sup>	Paid sh. 24,000 for office equipment, paying by cheque
	03 <sup>rd</sup>	Bought goods for resale sh. 6,000 paying by cheque.

04 <sup>th</sup>	Bought stationery for sh. 600 paying by cheque
07 <sup>th</sup>	Sold goods for sh. 7,000 and immediately banked the cheque
08 <sup>th</sup>	Paid wages sh. 1,600 paying by cheque
12 <sup>th</sup>	Bought goods for resale sh. 5,900 paying by cheque
12 <sup>th</sup>	Paid insurance premium sh. 1,700 paying by cheque
13 <sup>th</sup>	Sold goods for sh. 5,000 and immediately banked the cheque
16 <sup>th</sup>	paid wages sh. 1,600 paying by cheque
18 <sup>th</sup>	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 18<sup>th</sup> 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 <sup>st</sup>	Opening balance	250
02 <sup>nd</sup>	Paid for stationery	25
03 <sup>rd</sup>	Paid taxi fares	21
07 <sup>th</sup>	Paid for office tea/coffee	7
13 <sup>th</sup>	Paid taxi fares	14
16 <sup>th</sup>	Paid for stationery	22
22 <sup>nd</sup>	Paid taxi fares	17
24 <sup>th</sup>	Paid taxi fares	18
25 <sup>th</sup>	Paid for stationery	25
25 <sup>th</sup>	Paid for office tea/coffee	8
25 <sup>th</sup>	Paid taxi fares	23
26 <sup>th</sup>	Paid for stationery	12
26 <sup>th</sup>	Paid taxi fares	20
28 <sup>th</sup>	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 <sup>st</sup>	Invoice for goods sh. 300 to Akwasi
03 <sup>rd</sup>	Invoice for goods sh. 500 to Cindy
04 <sup>th</sup>	Invoice for goods sh. 200 to Bruno
06 <sup>th</sup>	Invoice for goods sh. 400 to Bruno
11 <sup>th</sup>	Invoice for goods sh. 800 to Akwasi
13 <sup>th</sup>	Invoice for goods sh. 600 to Cindy
18 <sup>th</sup>	Invoice for goods sh. 700 to Akwasi
21 <sup>st</sup>	Invoice for goods sh. 1,200 to Bruno
24 <sup>th</sup>	Invoice for goods sh. 900 to Cindy
28 <sup>th</sup>	Invoice for goods sh. 11,00 to Akwasi

Akwasi is a new customer and sent in a cheque for s. 1,320 on 28<sup>th</sup> 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)**