



**THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE**

***FACULTY OF BUSINESS AND SOCIAL STUDIES***

**DEPARTMENT OF LIBERAL STUDIES AND COMMUNITY DEVELOPMENT**

**CERTIFICATE IN COMMUNITY DEVELOPMENT AND COUNSELING**

**(CCDC A09)**

**END OF SEMESTER EXAMINATIONS**

**APRIL/MAY 2010 SERIES**

**SUPPLEMENTARY PAPER**

**CCD 127: BOOK-KEEPING**

**TIME: 2 HOURS**

**Instructions**

1. This paper contains **TWO** sections **A** and **B**.
2. Section **A** is compulsory.
3. Attempt Any **TWO** Questions only from Section **B**.
4. Strictly observe **ALL** examination Rules.

**SECTION A  
(Compulsory)**

**QUESTION ONE**

(a) Give the definitions of the following terms as used in accounting. **(20 Marks)**

- (i) Debtor
- (ii) Sales
- (iii) Delivery note
- (iv) Statement of account
- (v) Book-keeping
- (vi) Contra entry
- (vii) Debit note
- (viii) Current Liabilities
- (ix) Cash discount
- (x) Intangible assets give examples

(b) Using the balance sheet equation, fill in the missing blanks. **(5 marks)**

	<b>Assets</b>	<b>Liabilities</b>	<b>Capital</b>
(i)	12,500	1,800	?
(ii)	?	17,200	34,400
(iii)	88,000	?	62,200
(iv)	59,750	17,225	?
(v)	?	46,000	25,000

(c) Classify the following items into Assets, Capital and Liabilities.

- (i) Creditor
- (ii) Motor vehicle
- (iii) Bank loan
- (iv) Land and buildings
- (v) Patents
- (vi) Cash at bank
- (vii) Prepaid in insurance premium
- (viii) Profits ploughed back into business
- (ix) Outstanding telephone bill
- (x) Goodwill

**(5 Marks)**

## SECTION B

(Answer any **TWO** questions from this Section.)

### **QUESTION TWO**

- (a) Elkana Rugo started a business on 1<sup>st</sup> January, 2006 with Ksh.6,200 cash in hand and ksh.2,500 in the bank. The following transactions were then recorded during the month of January 2006.

#### **January 2006.**

- 1<sup>st</sup> Cash sales Shs.10,000.
- 2<sup>nd</sup> Paid wages Shs.1,600 cash.
- 5<sup>th</sup> Paid Shs.7,000 cash into Bank.
- 7<sup>th</sup> Received a cheque from Opiyo Ksh.6,300 having deducted 10% cash discount.
- 10<sup>th</sup> Paid rent Shs.2,800 by cheque.
- 13<sup>th</sup> Cash sales Shs.9,600 and banked Sh.5,000.
- 17<sup>th</sup> Paid Angeline by cash the amount standing to her credit Shs.4,000 less  $2\frac{1}{2}\%$  cash discount.
- 24<sup>th</sup> Paid Mutiso by cheque Ksh.3,800.
- 30<sup>th</sup> Paid electricity Sh.140 and Sundry expense Shs.300 by cash.
- 31<sup>st</sup> Withdrew Sh.600 from bank for personal use.

#### **Required:**

Draw up a three column cash book duly balanced.

**(15 Marks)**

- (b) For each of the transactions shown below indicate the account to be debited and an account to be credited.

**(5 Marks)**

	<b>TRANSACTION DETAILS</b>	<b>ACCOUNT TO BE DEBTED</b>	<b>ACCOUNT TO BE CREDITED</b>
(i)	Proprietor started business with cash in the bank.		
(ii)	Loan was received from Abdulrahman by cheque.		
(iii)	Motor Van was bought for cash		
(iv)	Proprietor took goods from the business for his personal use.		
(v)	Some office equipment were sold to Pillars Ltd. on credit.		

### **QUESTION THREE**

- (a) State the advantages of the imprest system of maintaining the petty cash book. **(5 Marks)**
- (b) Below is a summary of the petty cash transactions of Mirambo Ltd for the month of May, 2006.

May 1 <sup>st</sup>	Received from cashier Sh.6000 as petty cash float.	
		<b>Shs.</b>
May 2 <sup>nd</sup>	Postages	360
May 3 <sup>rd</sup>	Travelling	240
May 4 <sup>th</sup>	Cleaning	300
May 7 <sup>th</sup>	Petrol for Delivery Van	440
May 8 <sup>th</sup>	Travelling	500
May 9 <sup>th</sup>	Stationary	340
May 11 <sup>th</sup>	Cleaning	360
May 14 <sup>th</sup>	Postage	100
May 15 <sup>th</sup>	Travelling	160
May 18 <sup>th</sup>	Stationery	180
May 19 <sup>th</sup>	Cleaning	460
May 20 <sup>th</sup>	Postage	260
May 24 <sup>th</sup>	Delivery Van Service	860
May 26 <sup>th</sup>	Petrol	360
May 27 <sup>th</sup>	Cleaning	420
May 29 <sup>th</sup>	Postage	100
May 30 <sup>th</sup>	Petrol	280

#### **Required:**

Rule up a suitable petty cash book with analysis columns for expenditure on, cleaning, motor expenses, postage, stationary travelling to enter the months transactions and enter the amount needed to restore the imprest at the end of the month.

**(15 Marks)**

### **QUESTION FOUR**

- (a) On 1<sup>st</sup> August 2007, Cleopatra started business with the following assets and liabilities.

<b>ITEMS</b>	<b>Shs.</b>
Furniture	76,000
Stock on hand	48,000
Bank loan	12,000
Creditors	30,800
Machinery	80,000
Cash in hand	16,800
Debtors	22,000

Capital 200,000

The following transactions then took place during the first week of August 2007 in Cleopatra's business.

- (i) Cleopatra introduced more money into the business Shs.20,000 which she used to open a business bank account and deposited the money in the account.
- (ii) Part of the bank loan was repaid by cheques Sh.8,000.
- (iii) Stock worth Sh.18,000 was sold for Sh.24,000 cash.

**Required: (Hint use horizontal format)**

- (i) Cleopatra's opening Balance Sheet as at 1<sup>st</sup> August, 2007. **(7 Marks)**
  - (ii) Cleopatra's second Balance Sheet as at 7<sup>th</sup> August, 2007. **(5 Marks)**
- (b) Explain any **FOUR** importance of accounting. **(8 Marks)**