



TECHNICAL UNIVERSITY OF MOMBASA

FACULTY OF ENGINEERING

DEPARTMENT OF COMPUTING AND INFORMATION TECHNOLOGY

DIPLOMA IN COMPUTER TECHNOLOGY

BAC 2150: INTRODUCTION TO FINANCIAL ACCOUNTING

END OF SEMESTER EXAMINATIONS

SERIES: JANUARY-MAY 2016

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 six printed pages.**

SECTION A

QUESTION ONE

(A) State and explain at least FIVE users of financial statements. (10marks)

(B) List at least FIVE source documents giving their users in accounting (10marks)

(C) The following information was extracted from the books of Faith Enterprises for the month of January 2016.

	KSHS.
Jan 2016 1. Proprietor puts capital into the bank account for the Business	120000
3. Received cheque from Blue moon	30000
5. Cash sales	10000
7. Paid electricity by cash	15000
9. Banked kshs. 20000 of the cash held by the business	20000
14. Cash sales paid direct into the bank	40000
21. Paid cheque to Z. Mutua	35000
28. Withdrew cash from bank for business use	60000
31. Paid wages in cash	25000

Required:

Prepare a two column cash book based on the above information. (10 marks)

SECTION B

QUESTION TWO

(A) Briefly explain the following terms;

(i) Bookkeeping (1 mark)

(ii) Double entry (1 mark)

(iii) Transaction (1mark)

(iv) Debit (1 mark)

(v) Credit (1 mark)

(B) The following information was extracted from the books of Naomi Enterprises for the month of May 2015:

	KSHS.
1. Started in business with cash	10000
2. Bought goods on credit from Kamau J	2000
3. Paid rent by cash	1500
4. Paid part of the cash to the bank account	3000
5. Sold goods on credit to Juma. K	2000
7. Bought stationery by cheque	1000
11. Cash sales	3000
14. Goods returned to us by Juma K	500
17. Sold goods on credit to Julius K	2000
20. Paid for repairs to the building by cash	1500
22. Julius k returned goods to us	800
27. Paid Kamau J by cheque1500	
28. Cash purchases	3000
29. Bought a van paying by cheque5000	
30. Paid motor expenses in cash	500
31. Bought fixtures on credit from Jacob M	1200

Required:

Write up the above transactions in the books of Naomi Enterprises (15 marks)

QUESTION THREE

(A) Briefly explain the imprest system (5 marks)

(B) The following is a summary of the petty cash transactions of George ltd for the month of October 2015

KSHS.

Oct 2105: 1. Receiving from cash kshs 500 as petty cash float

2. Postage 36

3. Travelling	24
4. Cleaning	30
7. Petrol for van	44
8. Travelling	50
11. Clearing	36
14. Postage	10
15. Travelling	16
18. Clearing	46
20. Postage	26
24. Delivery van 3000 mile service	66
26. Petrol	36
27. Clearing	42
29. Postage	10
30. Petrol	28

Required:

- I. Write up a suitable petty cash book with analysis columns for expenditure on Clearing, motor expenses, postage, stationery, travelling.
- II. Enter the month's transaction.
- III. Enter the receipt of the necessary amount to restore the imprest and balance for the commencement of the following month.

QUESTION FOUR

(A) Briefly describe a trial balance (5 marks)

(B) The following balances were extracted from the books of JUKIM Enterprises for the year ended 31 Dec 2015

	KSHS.
Freehold land and building	65000
Motor Vehicles	12250
Purchases	133320
Sales	208900
Capital	130000

Opening stock	23130
Cash	6840
Bank	25620
Rent	2010
Commission paid	530
Wages and salaries	58580
Insurance	1250
Debtors	23060
Creditors	18950
General expenses	4590
Advertising	1220

Required:

Prepare a trial balance for the year ended 31st Dec 2015 (15 marks)

QUESTION FIVE

The following information was extracted from the books of TUMEL Enterprises as at 31st December 2015

	<u>Dr</u>	<u>Cr</u>
Sales		67000
Purchases	42600	
Lighting and heating expenses	1900	
Rent	2400	
General expenses	700	
Carriage outwards	1100	
Buildings	20000	
Fixtures and fillings	7500	
Accounts receivable	1200	
Accounts payable		9000
Bank	1200	
Cash	400	

Drawings	9000	
Capital		<u>31000</u>
Inventory (at 3 rd December 2014)	<u>3000</u>	
	<u>107000</u>	<u>107000</u>

Additional information.

Inventory as at 31st December 2015 was kshs. 5500

Required:

Prepare:

(A) Trading profit and loss account as at 31st December 2015 (10 marks)

(B) Balance sheet as at 31st December 2015 (10 marks)

END