



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 & B.
2. Section A is compulsory.
3. Attempt Any **TWO** Questions from Questions from Section B.
4. Strictly observe **ALL** examination Rules.

SECTION A

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.

	Assets	Liabilities	Capital
(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 insurance premium
- (viii). Profits ploughed back into business
- (ix). Outstanding telephone bill
- (x). Goodwill

(5 Marks)

SECTION B

Question TWO

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

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

	TRANSACTION DETAILS	ACCOUNT TO BE DEBTED	ACCOUNT TO BE CREDITED
(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).	Properietor 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 st	Received from cashier Sh.6000 as petty cash float.	
		Shs.
May 2 nd	Postages	360
May 3 rd	Travelling	240
May 4 th	Cleaning	300
May 7 th	Petrol for Delivery Van	440
May 8 th	Travelling	500
May 9 th	Stationary	340
May 11 th	Cleaning	360
May 14 th	Postage	100
May 15 th	Travelling	160
May 18 th	Stationery	180
May 19 th	Cleaning	460
May 20 th	Postage	260
May 24 th	Delivery Van Service	860
May 26 th	Petrol	360
May 27 th	Cleaning	420
May 29 th	Postage	100
May 30 th	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 1st August 2007, Cleopatra's stated business with the following assets and liabilities.

ITEMS	Shs.
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 1st August, 2007. **(7 Marks)**
 - (ii). Cleopatra's second Balance Sheet as at 7th August, 2007. **(5 Marks)**
- (b). Explain any **FOUR** importance of accounting. **(8 Marks)**