



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

SOCIAL SCIENCES

UNIVERSITY EXAMINATION FOR:

CERTIFICATE IN COMMUNITY DEVELOPMENT AND COUNSELING

BEN 1101: INTRODUCTION TO MICRO FINANCE

SERIES: DECEMBER 2016

TIME: 2 HOURS

DATE: 7 Dec 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Section A

- 1a) List and explain the uses of any 5 source documents (10 marks)
- 1b) Give a clear illustration to show the 8 stages of the accounting cycle (8 marks)
- 1c) List and explain 6 errors not revealed by the trial balance (12 marks)

Section B

2a). Classify the following items into liabilities and assets

Motor vehicles
premises
creditors for goods
stock of goods
debtors
bank overdraft
cash in hand
loan from D, Jones

Machinery

(10marks)

2b). Draw up a balance sheet as at 30th June 2015 from the following items:

Capital	13000	
Office machinery	9000	
Creditors	900	
Stock of goods	1550	
Debtors	275	
Cash at bank	5075	
Loan from c. smith	2000	(10 marks)

3a). You are to enter up the necessary accounts for the month of May from the following details and then balance of the accounts and extract a trial balance as at 31st may 2016

- a) Started with capital in cash 25000.00
- b) Bought goods on credit from the following persons
 - i) Eaton 5400.00
 - ii) C. Males 8700.00
 - iii) K. Gibson 2500.00
 - iv) D. Booth 7600.00
 - v) L. Lowe 6400.00

- c) Sold goods on credit to
 - i) C. Bailey 4300.00
 - ii) Hughes 6200.00
 - iii) Spencer 17600.00
- d) Paid rent by cash 4300.00
- e) bailey paid us his account by cheque
- f) Spencer paid us 1500 by cheques
- g) we paid the following by cheque
 - i. K. Gibson 2500
 - ii. Eaton 5400
- h) Paid carriage by cash

- i) Bought goods on credit from
 - i. C. Males 4300
 - ii. D. Booth 11000.00
 - iii. Paid rent by cheque 1800.00

(10marks)

3b). Complete the following table showing which accounts are to debited and which to be Credited

Account to be debited

Account to be credited

- a) Bought motor van for cash
- b) Bought office machinery on credit from j. summer
- c) Introduced capital in cash
- d) Debtor j. crawshaw pays us by cheque
- e) Paid a creditor U. Cope in cash

(10marks)

4a).

Write up a two-column cash book from the following details and balance off as at the end of the month:

September 2015

1	Balance brought forward from last month	
	Cash	2000.00
	bank	94000.00
2	received cheque from M. Black	11500.00
4	cash sales	8200.00
6	paid rent by cash	3500.00
7	banked cash which was held by the firm	5000.00
15	cash sales paid direct to the bank	4000.00
23	paid cheque to m. bell	27700.00
29	withdrew cash from the bank	12000.00
30	paid wages in cash	11800.00
	Totals	<u>179,700.00</u>

(10 marks)

4bi)What reasons may be attributed to low deposits of saving to micro finance institutions in rural areas (5marks)

ii) Identify and explain FIVE types of co-operatives (5marks)

5a) Explain various tools used in management of co-operatives (10marks)

b) How does prudential regulations work to reduce risk of failure of depository institutions (10marks)

