



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

SOCIAL SCIENCES

UNIVERSITY EXAMINATION FOR:

CCDC Y1S2

BEN1110: INTRODUCTION TO MICRO FINANCE

SERIES: APRIL 2016

TIME: 2 HOURS

DATE: 12 May 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.

QUESTION ONE

a) You are provided with the following information:

2012

- Jan 1: Started business with sh.100,000 in cash
- 2: Put sh. 200,000 of cash into bank
- 4: Bought goods paying cash sh. 12,000
- 7: Sold goods on credit to Titus sh. 9,050
- 10: Paid salaries in cash sh. 12,000
- 15: Bought furniture paying by cheque sh. 7,500
- 20: Cash sales sh. 10,200
- 24: Received sh. 5,000 from Titus by cash
- 27: Bought stationery paying by cheque sh. 2,500

Required:

Enter the above transactions in the ledger and prepare a Trial Balance as at 31st January 2012.

(20 marks)

b) Write brief notes on the following:

- i. Account
- ii. Personal account
- iii. Double entry rule
- iv. Real account
- v. Nominal account

(10 marks)

QUESTION TWO

a) Enter the following in a Three –Column Cashbook:

2011

Aug 1: Balances brought forward: Cash sh 22,000, Bank sh 152,000

4: Bought equipment by cash sh 10,500

5: Withdrew sh. 20,000 for business use.

7: Cash sales sh. 15,600

10: Paid rent by cheque sh. 15,000

15: Received a cheque from Charity sh. 12,500 less 10% discount

18: Bought goods by cash sh. 7,800.

21: Paid Osiako by cheque sh. 5,500 less 5 % cash discount.

25: Paid rent by cash sh. 10,000.

28: Deposited sh. 2,000 of cash

(12marks)

b) State and explain five roles of book keeping to an organization.

(8 marks)

QUESTION THREE

a) The following are extracts of cash book and bank statement from Richard's Records.

CASHBOOK

2009		SH	2009	CR	SH
June 1	Bal b/d	237,900	June 5	Ben	15,000
June 7	Jerry	15,800	June 12	Gibson	43,300
June 16	Sam	9,300	June 16	Solomon	8,800
June 28	Beryl	30,700	June 27	Safari club	5,700
June 30	Brendy	62,400	June 30	Bal c/d	283,300
		<hr/> 356,100 <hr/>			<hr/> 356,100 <hr/>

BANK STATEMENT

2009	Details	Dr	Cr	Balance
June 1	Balance b/d			237,900
June 7	Cheque		15,800	253,700
June 8	Ben	15,000		238,700
June 16	Cheque		9,300	248,000
June 17	Gibson	43,300		204,700
June 18	Solomon	8,800		195,900
June 28	Cheque		30,700	226,600
June 29	Standing order	4,400		222,200
June 30	Aluin:Credit transfer		9,000	231,200
June 30	Bank charges	7,000		224,200

Required:

- i. Prepare an updated cashbook **(6marks)**
 - ii. Draw up a bank reconciliation statement as on 31st June 2009 **(8 marks)**
- b) Give an explanation of any six external parties who can find the books of accounts useful **(6 marks)**

QUESTION FOUR

a)

GIFT TRIAL BALANCE

Particulars	DR(SH)	
Stock(1 April 2008)	181,600	
Sales		923,400

Purchases	691,850	
Carriage inwards	4,200	
Carriage outwards	15,700	6,400
Returns outwards		
Salaries	102,400	
Rent	30,150	
Communication expenses	6,240	
Commissions payable	2,160	
Insurance	4,050	
Sundry expenses	3,180	
Buildings	200,000	
Debtors	143,200	
Creditors		81,600
Fixtures	28,500	
Cash at bank	29,700	
Cash in hand	1,150	
Drawings	76,200	
Capital		508,880
	<u>1,520,280</u>	<u>1,520,280</u>

Stock at 31 march 2009 was sh 223,900

Required:

Draw up a Trading and profit & loss account for the year ended 31 march 2009 and a Balance sheet as at that date.

(15marks)

- a) State five reasons as to why customers return part of their goods. (5 marks)

QUESTION FIVE

- a) Kariuki a cashier operates with an imprest of sh .6, 000.The following payments were made for the months.

2010:

Jan 1: Bought stationery 650
5: Paid Bus fare 300
8: Staff tea 350
10: Bought stamps 200
12: Cleaning 280
15: Travelling 530
18: Paid Dan a creditor 1,000
22: Bought stationery 320
25: Cleaning 250
27: Staff tea 400

Required:

Rule –up a petty cashbook with columns of stationery Travelling, staff tea, postage, cleaning and all the ledger

(10marks)

- b) State and explain five roles of Micro-finance in institutions in Kenya . (10marks)