TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Computer Science & Information technology

UNIVERSITY EXAMINATION FOR:

BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY

UNIT: INTRODUCTION TO ACCOUNTING

END OF SEMESTER EXAMINATION

ORDINARY PAPER

SERIES: DECEMBER2020

TIME:2HOURS

DATE: Pick Date2022

Instructions to Candidates

You should have the following for this examination

-*Answer Booklet, examination pass and student ID*

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

Do not write on the question paper.

Question One (COMPULSORY)

a) The balance on the purchases ledger control account should be

Equal to --------------- (2mks)

b) Following is the cash book for Jacktone in shs 000 for the month ended 31 March 2023

Date	Particulars	Cash	Bank	Date	Particulars	Cash	Bank
1/3	Bal b/d	120	450	1/3	Chq 122		210
2/3	Chq 2056		320	2/3	cash	40	
5/3	cash/Chq 218	110	150	6/3	cash/Chq 190	28	130
6/3	ash/Chq119	115	275	7/3	Chq 340		110
10/3	Cash/Chq310	150	190	8/3	Cash/Chq 415	70	125

11/3	bank		340	11/3	cash	340	
						17	1160
	Total	495	1725			495	1725

Johnstone's Bank statement for the month ended 31-3-2023

Date	Particulars	Dr	Cr
1/3	Bal b/d		450
1/3	Cq122	210	
3/3	Chq2056		320
5/3	Chq 190	130	
7/3	Chq 119		275
8/3	Chq 415	125	
12/3	cash		340
12/3	Chq 415		125
31/3	Bank charges	15	
31/3	Bank commission	12	

Required

Work out the bank reconciliation for Mr. Jackstone (12mks)

c) There are various accounting principles. Discuss at least four of them (12mks)

d) Discuss any two books of original entry. (4mks)

Question Two

a) ABC Ltd has a motor vehicle that costed Shs 2,500,000. Its scrap value is Shs 400,000. Depreciate at 25% on straight line basis and show its depreciation schedule . (10mks)

b) The following information was availed by Anderson.

1) Furniture and fittings bought for shs 230,000 were wrongfully treated as general expense.
2) A cheque for shillings 830,000 sales had been omitted from the books of Account.
3) There was an overpay of shs 160,000in the Insurance account.
4) Salaries had been under paid by shs 50,000.
5) Furniture worthy shs 150,00 was to be depreciated on straight line basis at 5%.

Required.

Journalise the above information. (10 mrks)

Question Three

a) Mr Mohamend operates a business at Mwembe Tayari. On 1st January 2022, the balance in his bank and cash account was shs 420,000 and shs 80,000 respectively. And stocks of shs 680,000 The following transactions took place in the month of January

Date	Particulars	Amount shs 000
1/1 2023	Sold goods cheque of 360,000 and balance by cash	510
1/1/2023	Bought goods on credit from Athman	580
2ndd	Sold good and received a cheque	320
3rd	Sold goods on credit to Fatuma for shs 149,000 and the rest by cash	290
4th	He sold goods on credit to Ahmend	150
4th	He sold goods and received a cheque of shs 310,000 and the rest cash	480
5th	Paid Athman Received from Fatuma Received from Ahmend	550 in full settlement 270 in full settlement 140 in full settlement
6th	Paid postage Electricity wages	8 9 30

Additional information, closing stock shs 56,000, wages had been underpaid by shs 10,000 and rent of shs 12,000 was yet to be paid

Required

i) Post the above information into the cashbook. (10mks)

ii) Prepare statement of comprehensive income (10mks)

Question Four

a) XYZ Ltd had the following assets and liabilities a on 31st December 2023. Land and building s Shs 3,500,000 , motor vehicle shs 2,750,000 and Furniture and fittings shs 180,000 (all at cost), debtors shs 150,000 , , creditors shs 210,000 bank shs 180,000 cash 35,000 Loan fron thee bank shs 100,000. acruals shs 110,000 and pre payment shs 70,000. The accumulated depreciation to date for the motor vehicle and furniture and fitting was shs 750,000 and shs 60,000 respectively. A provision for bad and doubtful debt at 5% was yet to be made.

Required

Prepare a statement of financial position as at 31-12-2023. (10mks)

(a) Define the following terms, current assets, Salvage Value, Ledger Account (6mks)

(b) Differentiate between a suspense account and a balance sheet. (4mks)

Question Five

a) There are several errors that can be committed while posting the books of Account Discuss any four of such errors (10 mks)
b) The debtors Account had an opening balance of shs 380,000. On 1st January 2024. The debtors bought goods on credit. They returned defective goods of shs 15,000 and paid cash amounting to shs 830,000. At the end of the year they still owed shs 256,000.

Required

Show the Debtors Account for the period ended 31-12- 2024 (10 mks)