TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Computer Science & Information technology

UNIVERSITY EXAMINATION FOR:

BACHELOR OF BUSINESS IN INFORMATION TECHNOLOGY.

UNIT: INTRODUCTION TO ACCOUNTING

SUPLLEMENTARY/SPECIAL EXAMINATION

SPECIAL PAPER

SERIES: JULY 2025

TIME:2HOURS

<u>Instructions to Candidates</u>

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) Define Control Account and show any four of its uses. (10mks)

b) KK Ltd had the following assets and liabilities on 31st December 2022. Land and building s Shs 4,500,000 , motor vehicle shs 3,750,000 and Furniture and fittings shs 280,000 (all at cost), debtors shs 350,000 , , creditors shs 230,000 bank shs 190,000 cash 45,000 Loan from the bank shs 160,000. acruals shs 150,000 and pre payment shs 50,000. The accumulated depreciation to date for the motor vehicle and furniture and fitting was shs 1,050,000 and shs 90,000 respectively.A provision for bad and doubtful debt at 5% was yet to be made.

Required:

c) Prepare a statement of financial position as at 31-12-202. (10mks}

c) The Creditors Account had an opening balance of shs 450,000. On 1st January 2021. The creditors sold goods on credit. They received defective goods of shs 30,000 and received cash amounting to shs 1,130,000. At the end of the year they were still owed shs 344,000.

Required

Show the Creditors Account for the period ended 31-12- 2021 (10 mks)

Question Two

a) Discuss the Accounting Cycle. (10mks)
b) The following information was availed by Noor
   i) Furniture and fittings bought for shs 290,000 were wrongfully treated as general expense.
   ii) A cash sale for shillings 310,000 had been omitted from the books of Account.
   iii) There was an overpay of shs 18,000 on the rent account.
   iv) Wages had been under paid by shs 30,000.
   v) Partitions worthy shs 110,00 were to be depreciated on straight line basis at 10%.

Required:
Journalise the above information. (10 mrks)

Question Three

a) Mr Patel operates a business at Mtwapa. On 1st January 2021, the balance in his bank and cash account was shs 310,000 and shs 90,000 respectively. And stocks of 550,000 The following transactions took place in the month of January

Date	Particulars	Amount shs 000
1/1 2023	Sold goods cheque of 260,000 and balance by cash	410
1/1/2023	Bought goods on credit from Andrew	670
2ndd	Sold good and received a cheque	380
3rd	Sold goods on credit to Faith for shs 149,000 and the rest by cash	240
4th	He sold goods on credit to Appollos	180
4th	He sold goods and received a	490

	cheque of shs 290,000 and the rest cash	
5th	Paid Andrew Received from Faith Received from Appolos	650 in full settlement 210 in full settlement 150 in full settlement
6th	Paid postage Electricity wages	10 7 12

Required

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

b) Discuss the following Accounting Concepts / Principles Going concern concept, Materiality concept and Matching concept (10mks)

Question Four

a) Define the term depreciation (2mks)
b) M& K Ltd has a motor vehicle that costed Shs 4,500,000. Depreciate at 20% the declining basis method and show its depreciation schedule. (8mks)
c)
d) What is the responsibility of an Accountant who finds that the trial balance He/She extracted did not balance? (10mks)

Question Five

The following information was extracted from the of Mr. Nathan for the year ended 31-12 2024

Sales shs 12M, return inwards shs 0.3M return outward shs 0.25M, Opening stock 0.5M. Purchases shs 6.8M, discount received shs 0.07M discount allowed shs 0.05M expense paid water and electricity shs 0.04M, rent shs o.125M , postage and telephone shs 0.03M.salaries and wages 0.98M

Additional information, closing stock shs 76,000, wages had been underpaid by shs 13,000 and rent of shs 24,000 was yet to be paid

Required

Prepare a statement of comprehensive income for the year ended 31-12-2024 (10mks)

a) Describe any three cash books. (10mks)