



# TECHNICAL UNIVERSITY OF MOMBASA

*Faculty of Business & Social Studies*

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN TOURISM MANAGEMENT

## **BAC 2232: PRINCIPLES OF ACCOUNTS**

SUPPLEMENTARY/SPECIAL EXAMINATIONS

**SERIES:** FEBRUARY 2013

**TIME:** 2 HOURS

### **INSTRUCTIONS:**

- This paper consists of Sections **A** and **B**.
- Section **A** is **Compulsory**. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room.
- Cheating leads to disqualification.
- ***This paper consists of Five printed pages.***

**SECTION A (Compulsory) 30 Marks**

## QUESTION 1

- a) Enter the following transactions in a three column cashbook including the ledger accounts 2007

June 1 started business with sh. 25,000 at bank  
2 bought goods by cheque sh. 3,800  
3 bought goods from Marshall for sh. 5,000  
4 sold goods to AB & Co. sh. 2,600  
5 cashed a cheque for office use sh. 2,000  
6 bought goods from XY Co. sh. 7,400  
7 sold goods to Kariuki sh. 3,700  
8 paid expenses in cash sh. 3—  
9 sold goods for sh. 2,500  
11 paid Marshall by cheque the amount due to him less 5% discount  
12 Received from AB & Co. a cheque by the amount due less 4% discount  
13 paid expenses in cash sh. 25  
17 paid XY & Co. by cheque deducting cash discount of 3%  
20 received cash from Kariuki discount allowed being 2.5%  
30 Paid wages in cash sh. 1,000  
30 banked all cash in hand keeping a balance of sh. 500

(20 marks)

- b) Give an explanation on **FIVE** external users of accounting information and how relevant this information is to each user.

(10 marks)

## SECTION B (Answer any TWO questions) 40 Marks

### QUESTION 2

- a) Name FIVE errors that are likely to cause a trial balance not to balance. (2 marks)

- b) Abdalla Munavu has an imprest of sh. 10,000. On 1<sup>st</sup> March he had cash in hand balance of sh. 1,025. He received re-imburement cheques from the main cashier on that date. Referring the following business transactions in his petty cash book, record them in the following columns transport, wages, stationery, postages, telephones, sundries, Tea & Refreshments.

May

1 Registered a parcel to Mututho, shs. 894  
3 paid wages shs. 1,283  
4 Bought typewriter, ribbon shs. 950  
7 Bought cleaning detergent for office, shs. 275  
9 paid for transport shs. 556  
11 Paid wages shs. 126  
13 Bought postage stamps shs. 500  
15 Bought carbon papers shs. 746  
17 Paid wages shs. 888  
19 Paid for tea leaves shs. 333  
21 Paid for telephone scratch cards shs. 986  
23 Paid wages shs. 389  
25 Registered a letter shs. 142  
27 Bought paper shs. 445

- 29 Paid transport shs. 330  
 31 bought postage stamps shs. 500

### QUESTION 3

The trial balance shown below was extracted from the books of J. Nasoke on 31<sup>st</sup> December 2009.

	Dr.	Cr.
Capital		250,000
Drawings	32,500	
Opening stock	46,100	
Purchases	284,000	
Sales		415,30
Return inwards	3,600	
Return outwards		6,700
Carriage inwards	27,900	
Carriage outwards	10,000	
Wages & salaries	47,200	
Furniture	25,000	
Motor vehicle	60,000	
Debtors	48,000	
Creditors		52,800
Cash in bank	29,100	
Cash in hand	600	
Telephone & postage	3,400	
Discounts received		1,900
General expenses	31,700	
Premises	100,000	
Rent income		23,300
	<u>750,000</u>	<u>750,000</u>

Closing stock was shs. 55,300

Required:

- a) Prepare a Trading account. (10 marks)  
 b) Prepare a Profit and Loss account. (10 marks)

### QUESTION 4

The following is the bank column of cashbook prepared by Henry Ratembwe for May 2011

Cash Book					
May 1	Balance	B/f 7,835	May 6	Cheque 786	3,550
5	Deposit	6,320	12	Cheque 787	2,670
9	Deposit	1,450	16	Cheque 788	1,235
14	Deposit	2,540	17	Cheque 789	5,890
18	Deposit	360	23	Cheque 790	4,440
26	Deposit	3,210	27	Cheque 791	920
30	Deposit	1,810	29	Cheque 792	840
31	Deposit	2,220			

He received the following Bank statement for May 2011

DATE		DR.	CR.	BALANCE
May 1	Balance b/f			7,835 CR
5	Deposit		6,320	14,155
8	Cheque No. 786	3,550	1,450	10,605
9	Deposit		2,540	12,055
14	Deposit			14,595
15	Cheque No. 787	2,670		11,925
16	Cheque No. 788	1,235		10,690
17	Unpaid cheque	2,540		8,150
18	Deposit		360	8,510
24	Cheque No. 790			4,070
26	Deposit		3,210	7,280
28	Deposit		5,000	12,280
29	Cheque No. 792	840		11,440
30	S.O – Rent	1,500		9,940
31	Bank charges	70		9,870

**Required:**

- a) Make a list of items present in cashbook but missing from the bank statement. **(5 marks)**
- b) Make a list of items present in the bank statement but missing from the cashbook. **(5 marks)**
- c) Complete the cash book. **(5 marks)**
- d) Prepare a bank reconciliation statement. **(5 marks)**

**QUESTION 5**

Papa Fololo had the following transactions for the months of December 2009. Record in the appropriate journals in his books. **(20 marks)**

Dec.

- 1 Bought goods on credit from yellow shs. 23,400
- 2 Sold goods on credit to Green shs. 12,500
- 3 Returned goods to yellow shs. 3,500
- 3 Goods returned by Green shs. 1,500
- 4 Sold goods on credit to Wigain shs. 13,500
- 8 Goods returned by Wigain shs. 900
- 10 Bought goods on credit from Omolo shs. 25,100
- 13 Sold goods on credit to Bobo shs. 14,400
- 15 Returned goods to Omollo shs. 2,100
- 18 Sold good on credit to Green shs. 15,200
- 19 Bought goods from yellow on Credit shs. 31,700
- 20 Goods returned by Bobo shs. 1,670