



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF SCIENCE IN TOURISM MANAGEMENT

BAC 4240 : PRINCIPLES OF ACCOUNTING

END OF SEMESTER EXAMINATIONS

SERIES: DECEMBER 2013

TIME: 2 HOURS

INSTRUCTIONS:

- Answer all questions in Section **A** and any other **TWO** questions in Section B.

This paper consists of Two printed pages

SECTION A (Compulsory)

QUESTION 1

- a) Discuss the TWO major sections of a master budget. **(16 marks)**
- b) Define the Accounting process. **(4 marks)**
- c) Discuss the advantages of using a computerized accounting system. **(10 marks)**

SECTION B (Answer any TWO questions)

QUESTION 2

Enter the following transactions in T accounts balancing them off and prepare a trial balance. **(20 marks)**

2005

- May 1 started business with £2000 in the bank.
- May 2 Bought goods on credit from L shani £ 900.
- May 3 Bought goods on credit from N Adline £250.
- May 5 Sold goods for cash £ 180.
- May 6 We returned goods to L shani £ 40.
- May 8 Bought goods on credit from N Adline £ 190.
- May 10 Sold goods on credit to a Wood £390.
- May 12 Sold goods for cash 210.
- May 18 Task £ 300 of the cash and paid it into the bank.
- May 21 Bought machinery by cheque £ 550
- May 22 Sold good on credit to L Moore £220.
- May 23 G wood returned goods to US £140.
- May 25 L Moore returned goods to us £ 10.
- May 28 We returned goods to N. Adine £30.
- May 29 We paid Shani by cheque £860.
- May 31 Bought machinery on credit from D. lee £ 270.

QUESTION 3

Given the information below prepare the following set of financial statements. **(20 marks)**

c) Income statement.

b) Balance sheet

June 2006.	DR	CR
Sales		28,794
Purchases	23803	
Rent	854	
Lighting & heating	422	
Salaries & wages	3164	
Insurance	105	
Buildings	50,000	
Stock	3166	
Debtors	1000	
Sundry expenses	506	
Creditors		1206
Cash at Bank	3847	
Drawings	2400	
Van	55,00	
Motor Expenses	11,33	
Capital		65,900

QUESTION 4

Write up a two column cashbook for mama Pima Enterprises from the following.

2010

- Nov
- 1 Balance brought forward from last month cash 105 Bank 2164.
 2. Cash sales 605.
 3. Took 500 out of the cash till and paid it into the bank.
 4. F kalos paid us by cheque 217.
 5. We paid for pastage stamps in cash 60.
 6. Bought office Required by cheque 18a.
 7. We paid L Wambua by cheque 50.
 9. Received rates refund by cheque 72.
 11. Withdrew 250 from bank for business use.
 12. Paid wages in cah 239.
 14. Paid motor expenses by cheque 57
 - 16 M Kasemo lent us 200 in cah.
 20. W. Jamal paid us by cheque 112.
 28. We paid general expenses in cash 22
 30. Paid Insurance by cheque 74.