



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF LIBERAL STUDIES & COMMUNITY DEVELOPMENT

(LAMU CAMPUS)

CERTIFICATE IN COMMUNITY DEVELOPMENT AND COUNSELING

BEN 1101 : INTRODUCTION TO MICROFINANCE

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: JULY, 2014

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

-Section **A** is **COMPULSORY**.

Answer any **TWO** questions in section **B**
-This paper consists of **5 printed** pages

SECTION A : COMPULSORY

QUESTION ONE

- a) The following information relates to CCDC group, prepare ledger accounts and extract a Trial Balance.

2012

- June 1: Started business with sh. 2,500 in cash
2: Bought goods on credit from Elly sh. 5,400; Mendez sh. 8,700, Gibson sh. 2,500
4: Sold good on credit to Bailey sh. 430; Hughes sh. 620; Spencer sh. 1,760
6: Paid rent by cash sh. 1,200
9: Bailey paid his account by cheque sh. 430
10: Spencer paid us sh. 1,500 by cheque
12: We paid the following by cheque: Gibson sh. 2,500 Elly sh. 5,400
18: Bought goods on credit from Mendez sh. 430 and Booth sh. 1,100
21: Sold goods on credit to Hughes sh. 670
31: Paid rent by cheque sh. 180

(15 marks)

- b) Accounting must be done within laid down rules and procedures. Explain any **FOUR** accounting concepts. (8 marks)
- c) State and briefly explain the external users of accounting information (7 marks)

SECTION B: Answer any **TWO** questions

QUESTION TWO

- a) Write up a three column cashbook for Mr.Muema from the details below

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- July 1: Balance b/d cash sh. 2,500
Bank sh. 7,400
2: Bought goods by cheque sh. 2,000
3: Cash sales sh. 1,800
5: Banked cash sh. 2,000
6 Paid by cheque in each cash discount received 3% :- John sh. 1,500; Herman sh. 3,000; Mathias sh. 1,400
7: Received by cheque in each case discount allowed 5%. Shawn sh. 5,000; Ben sh. 3,000; Mathias sh. 3,200
10: Bought office furniture by cheque sh. 3,000
15: Cash drawings sh. 500

- 20: Paid to Abel sh. 800 less 3% discount in cash
- 22: Received cash from Smith sh. 1,500
- 30: Paid wages in cash sh. 1,000

(10 marks)

b) State and explain any **FIVE** source documents applied in organizations..

(10marks)

QUESTION THREE

Jack has a petty cash float of £3,000. The following transactions took place in May 2008:

		£
May	2: Postage	180
	3: Travelling	120
	4: Cleaning	220
	7: Petrol for delivery van	250
	8: Travelling	170
	9: Stationery	180
	11: Cleaning	50
	14: Postage	80
	15 Traveling	90
	18: Stationery	230
	18: Cleaning	130
	20: Postage	200
	24: Delivery van 5,000 mile service	430
	26: Petrol	210
	27: Cleaning	180
	29: Postage	50
	30: Petrol	140

Required:

- a) Rule up a petty cash book with analysis column for expenditure on cleaning, motor expenses; Postage; Stationery, travelling **(14 marks)**
- b) State any **SIX** merits of a petty cashbook applying imprest system. **(6 marks)**

QUESTION FOUR

a) From the following Trial Balance of Mwamure extracted after one year, prepare:

(i) Trading ,Profit and loss account (8 marks)

(ii) Balance Sheet (7 marks)

Mwamure Trial Balance as at 31 December 2006

	DR	CR
Sales		190,576
Purchases	119,832	
Salaries	56,527	
Motor expenses	2,416	
Rent	1,894	
Insurance	372	
General expenses	85	
Premises	95,420	
Motor vehicles	16,594	
Debtors	26,740	
Creditors		16,524
Cash at bank	16,519	
Cash in hand	342	
Drawings	8,425	
Capital	_____	138,066
	<u>345,166</u>	<u>345,166</u>

b) State any **FIVE** purposes of accounting to a business entity. (5 marks)

QUESTION FIVE

From the following records of Richard, draw up:-

- a) Updated cashbook (6 marks)
 b) Bank reconciliation statement as on 30 June 2008 (8 marks)

CASHBOOK							
2008				2008			£
June	1:	Balance b/d	1,410	June	5:	Henry	180
	7:	Mary	62		12:	Rebby	519
	16:	Wilson	75		16:	Simba	41
	28:	Salamba	224		29:	Douglas	22
	30:	Beda	<u>582</u>		30:	Balance c/d	<u>1,591</u>
			<u>2,353</u>				<u>2,353</u>

BANK STATEMENT						
2008			Dr	Cr	Balance	
June	1:	Balance b/d			1,410	
	7:	Cheque		62	1,472	
	8:	Lane	180			
	16:	Cheque		75	1,367	
	17:	Rebby	519		848	
	18:	Simba	41		807	
	28:	Cheque		224	1,031	
	29:	Standing order	52		979	
	30:	Felix; credit transfer		64	1,043	
	30:	Bank charges	43		1,000	

- c) State the causes of difference between bank balance as per cashbook and bank statement. (6 marks)