

**THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL OF TANZANIA
CERTIFICATE OF SECONDARY EDUCATION EXAMINATION**

062

BOOK KEEPING

(For Both School and Private Candidates)

Time: 3 Hours

Year: 2022

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Section A carries **twenty (20)** marks and section B and C carry **forty (40)** marks each.
4. Non programmable calculators may be used.
5. Cellular phones and any unauthorized materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



- (vi) How is the amount of capital in a single entry book keeping system computed?
- A By opening cash account. B By opening total debtors account.
C By opening profit and loss account. D By opening statement of affairs.
E By opening total creditors account.
- (vii) A firm bought a machine worth TZS 3,200,000. It is to be depreciated at a rate of 25% using the reducing balance method. Calculate the remaining book value of the machine after two years.
- A TZS 1,600,000 B TZS 1,800,000
C TZS 2,400,000 D TZS 2,600,000
E TZS 1,400,000
- (viii) The amount for prepaid expenses is presented in the balance sheet as
- A non-current asset. B current liability.
C current asset. D an equity item.
E non-current liability.
- (ix) Which of the following is the correct presentation of donations received for a specific purpose in the statement of financial position of a non-profit making organization?
- A Asset B Income
C Expense D Contingency
E Liability
- (x) Given a balance in the adjusted cash book of TZS 20,000, uncredited cheques of TZS 5,000 and unpresented cheque of TZS 3,000; What is the balance according to the bank statement?
- A TZS 18,000 B TZS 23,000
C TZS 25,000 D TZS 28,000
E TZS 22,000
- (xi) How is the term *Prime cost* in manufacturing account categorized?
- A The sum of all direct costs.
B The sum of all indirect costs.
C The sum of all direct and indirect costs.
D The sum of all costs of a completed product.
E The sum of all costs of work in progress.
- (xii) Which of the following would you consider the appropriate accounting equation when determining the closing balance in the sales ledger control account?
- A Opening balance + credit sales to debtors – amount paid to suppliers.
B Opening balance + credit purchases from suppliers – amount paid to suppliers.
C Opening balance – credit sales to debtors + amount received from debtors.
D Opening balance – credit purchases from suppliers – amount paid to suppliers.
E Opening balance + credit sales to debtors – amounts received from debtors.

- (xiii) In which account would the amount for sales, purchases and returns of goods for each department be recorded when preparing the departmental accounts?
- A Balance sheet
 B Departmental profit and loss account
 C Revenue expenditure account
 D Departmental trading account
 E Capital expenditure account
- (xiv) Which of the following combination of accounting entry and account represent the correct entry and account to which the total of the sales journal is posted?
- A Debit side of sales account
 B Credit side of sales account
 C Debit side of sales returns account
 D Credit side of purchases account
 E Debit side of purchases returns account
- (xv) Which one is the characteristic of exchequer account?
- A It is a fixed deposit account maintained by the central bank for all deposits by the commercial bank.
 B It is an account maintained by the central bank in which public revenues are deposited in order to meet the approved expenditure.
 C It is an account maintained by the commercial banks for the central bank in order to meet the minimum reserve requirements.
 D It is a saving account maintained by the central bank from which all senior government officers allowances are deposited.
 E It is a special account maintained by the central bank in order to rescue the commercial banks from financial crisis.

2. For each of the items (i) - (v), match the descriptions of Book Keeping concepts in **Column A** with their corresponding names in **Column B** by writing the letter of the correct response beside the item number in the answer booklet provided.

Column A		Column B	
(i)	The exchange of equal values or benefits between two or more persons.	A	Accounting
(ii)	The immediate receipts or payments of cash for a financial transaction.	B	Book Keeping
(iii)	The transaction for which payments or receipts of cash is made later.	C	Cash transactions
(iv)	The summary of business transactions affecting a person, property, income or expenses.	D	Credit transactions
(v)	The name of a person to whom the business owes money.	E	Creditor
		F	Debtor
		G	Business transactions
		H	Economic transactions

SECTION B (40 Marks)

Answer **all** questions in this section.

3. For most businesses, control of cash includes both bank and cash transactions. Firms are required to bring together the separate cash and bank transactions in one book. Briefly describe three types of cash books which are used to record cash and bank transactions.

4. Before the preparation of financial statements for a particular accounting period, businesses need to make adjustments. This is done to particular accounts in order to ensure the financial statements are accurate. Show how you would treat the following in the statement of financial position.
 - (i) Unused stock of stationery.
 - (ii) Accrued interest.
 - (iii) Unearned commission.
 - (iv) Accrued rent income.
 - (v) 18 months loan to Book Keeper.
 - (vi) Accrued salaries.
 - (vii) Bank overdraft.
 - (viii) Interest due on bank overdraft.
 - (ix) Long term notes payable.
 - (x) Prepaid office rent.

5. Post the entries from the following cash book to their respective ledger accounts and balance off the accounts as at 31st August 2016.

Dr		Cash Book				Cr	
Date	Details	Cash	Bank	Date	Details	Cash	Bank
1/8/2016	Capital	94,000		2/8/2016	Bank	90,000	
2/8/2016	Cash		90,000	5/8/2016	Wages		8,000
29/8/2016	Sales	22,180		7/8/2016	Purchases	2,362	
				17/8/2016	Motor van		69,000
				28/8/2016	Firelighter		2,800
				30/8/2016	Rent	3,818	
					Balance c/d	20,000	10,200
		116,180	90,000			116,180	90,000
1/9/2016		20,000	10,200				

6. From the following list of balances extracted from the books of Saida Majid for the Month of July 2019, prepare her Trial Balance as at 31st July 2019.

Details	TZS
Sales	4,000,000
Bills payable	100,000
Purchases	1,820,000
Insurance of buildings	100,000
Capital	3,000,000
Cash at bank	150,000
Interest receivable	20,000
Carriage inwards	80,000
Loan from CRDB	2,000,000
Purchases returns	200,000
Accounts payable	700,000
Office furniture	1,000,000
Office building	2,000,000
General expenses	50,000
Motor vehicle	2,000,000
Salaries	300,000
Accounts receivable	1,000,000
Cash in hand	200,000
Warehouse building	800,000
Opening inventory	500,000

SECTION C (40 Marks)

Answer **two (2)** questions from this section.

7. The following are business transactions of Mihemo Enterprises for the month of November 2018:

- November
- ✓1 Balance brought forward from the last month: cash TZS 295,000 and Bank TZS 4,240,000.
 - ✓2 Cash sales TZS 310,000.
 - ✓3 Banked TZS 200,000 out of the cash till.
 - ✓4 Nyaso paid Mihemo Enterprises by cheque TZS 194,000.
 - ✓5 Paid for postage stamps in cash TZS 80,000.
 - ✓6 Bought office furniture by cheque TZS 310,000.
 - ✓7 Paid Mwiza by cheque TZS 94,000.
 - ✓9 Received business rates refund by cheque TZS 115,000.
 - 11 Withdrew TZS 150,000 from the bank for business use.
 - ✓12 Paid wages in cash TZS 400,000.
 - ✓13 Cash sales TZS 430,000.

- 14 Paid motor expenses by cheque TZS 81,000.
- 16 Nyakaro lent us TZS 1,500,000 in cash.
- 17 Mbuli paid Mihemo Enterprises by cheque TZS 174,000.
- 18 Paid general expenses in cash TZS 35,000.
- 18 Paid insurance by cheque TZS 320,000.
- 19 Ngosha paid Mihemo Enterprises by cheque TZS 210,000.
- 20 Cash purchases TZS 150,000.
- 21 Cash withdrawn from the bank TZS 50,000 for business use.
- 22 Cash sales paid direct into the bank TZS 3,100,000.
- 23 Paid wages in cash TZS 320,000.
- 24 Received a cheque for TZS 324,000 from Mashaka.
- 25 Cash drawings TZS 200,000.
- 26 Repaid Nyakaro TZS 750,000 by cheque.
- 27 Paid stationery TZS 100,000 in cash.
- 27 Received cash from Makwilo TZS 1,000,000.
- 28 Banked TZS 150,000 out of the cash till.

Write up the Two Column Cash Book of Mihemo Enterprises and balance off the Cash and Bank accounts at 30th November 2018.

8. The following information was extracted from the books of Upendo football Club for the year ended 31st December 2018:

Dr	Receipts and Payments Account		Cr.
1/1/2018 Balanced b/d	524,000	Bar supplies	3,962,000
Subscriptions	1,331,000	Wages: Grounds men	939,000
Bar sales	5,628,000	Bar staff	624,000
Donations	120,000	Bar expenses	234,000
		Repairs to bar counter	119,000
		Ground up keep	229,000
		Stationery	138,000
		Travelling expenses	305,000
		31/12/2018 Balance c/d	1,053,000
	7,603,000		7,603,000

- (i) The club treasurer prepared the following list of assets and liabilities at the beginning and end of the financial year.

Details	1/1/2018 TZS	31/12/2018 TZS
Bar stock	496,000	558,000
Owing for bar supplies	296,000	340,000
Bar expenses owing	25,000	36,000
Travelling cost accrued	-	65,000

- (ii) Football stand at 31st December 2017 was valued at TZS 400,000 and at the end of the year on 31st December 2018 depreciated by 10% per annum.

- (iii) The equipment at 31st December 2017 was valued at 550,000 and at the end of the year on 31st December 2018 is to be depreciated by 10% per annum.
- (iv) Subscription owing by members at 31st December 2018 amounted to TZS 66,000.

Construct the following for the year ended 31st December, 2018:

- (a) Statement of affairs as at 1st January 2018.
 - (b) Creditors control account.
 - (c) Bar expenses account.
 - (d) Bar income statement.
 - (e) Statement of income and expenditure.
9. The audit of M. Johnson's books for the year ended 31st December 2017 revealed a debit balance of TZS 3,012,000 in the suspense account and the following accounting errors:
- (i) The salaries and wages account was overstated by TZS 350,000 and rent received account also was overstated by TZS 350,000.
 - (ii) The purchases account was under cast by TZS 1,100,000.
 - (iii) Sales amounting to TZS 2,500,000 were wrongly recorded as TZS 5,200,000 in the sales account.
 - (iv) An amount paid to Aisha was debited to her account as TZS 9,800,000 instead of TZS 8,900,000.
 - (v) Rent account was under cast by TZS 100,000.
 - (vi) Fees income was over cast by TZS 80,000.
 - (vii) Discounts received TZS 24,000 was debited to discounts allowed.
 - (viii) A credit sale of TZS 20,000 to Regina was passed through the purchases journal.
 - (ix) Cash received from Christina TZS 80,000 was correctly entered in the cash book but posted to Christian account as TZS 88,000.
 - (x) Interest received TZS 15,000 was debited to commission received in error.
 - (xi) Cash paid to Tarimo TZS 22,000 was correctly entered in the cash book but posted to Tarimo Ltd as TZS 20,000.

Prepare Journal entries (narrations are not required) and the Suspense Account to correct the accounting errors.