**PRESIDENT’S OFFICE**

**REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

**LINDI REGIONAL COMMISSIONER’S OFFICE**

**FORM FOUR MOCK EXAMINATION**

**BOOK KEEPING**

**CODE NO.062 MAY, 2018**

**TIME: 3 HOURS**

**INSTRUCTIONS:**

1. This paper consists of sections A, B and C.
2. Answer all questions in this paper.
3. Write your examination number on every page of your answer booklet(s)

**SECTION A - 20 MARKS**

1. Choose the correct answer from (i - x) and write the relevant letter in the answer sheet provided
2. The main purpose of manufacturing account is to find:-
3. Over hends
4. Cost of raw materials used
5. Cost of production
6. Gross profit.
7. Expenses which the Firm has used but have not yet been paid for by the end of accounting period is known as:-
8. Accrued expences
9. Pre paid expences
10. General expences
11. Profit expences
12. Capital expenditure is:-
13. Extra capital paid in by the trader
14. Extra purchase og goods for sale
15. Money spent on buying fixed assets or adding value to them
16. Money spent on increasing the value of fixed assets
17. The document used when goods sold or purchased on credit is called:-
18. Credit note
19. Debt note
20. Invoice
21. Payment voucher
22. The amount of money used to start business is called:-
23. Fund
24. Money
25. Capital
26. Borrowed money
27. The statement shows expenses incurred by the consignee, his expenses, his commission and Net proceeds to the consignor is:-
28. An account sale
29. Receipt
30. Consignment Account
31. Cheque.
32. An error caused by debiting Daniel Account instead of Daud account is an error of;
33. Complete reversal
34. Commission
35. Ommission
36. Principle.
37. Which of the following is not correct
38. Profit increases capital
39. Drawing decreases capital
40. Profit decreases capital
41. Loss decreases capital
42. The correct Account equation is:-
43. Assets = capital + liabilities
44. Assets + capital = liabilities
45. Assets = capital – liabilities
46. Assets = capital – liabilities
47. A firm bought machines for Tshs 3,200,000/=The machine is expected to be used for 5 years then sold for 2,000,000/= what is the annual amount of depreciation if straight line is used?
48. Tshs 240,000
49. Tshs 640,000
50. Tshs 400,000
51. Tshs 120,000
52. Match the items in collum A with the response in column B by wring the letter of the correct response on the answer booklet.

|  |  |
| --- | --- |
| **COLUMN A** | **COLUMN B** |
| 1. Bill which are not allowed to run until maturity
2. Bill which a debtor fails to make up payment on the maturity of the bill
3. Additional commission paid to an agent who guarantees the debts incurred by customer supplied by him
4. A set of standard rules, duties, rights and obligations that govern all partnership forms of business
5. Are audits of government ministries and departments conducted by controller and auditor General (CAG)
6. Are those debts which have never been paid by the creditors to be business
7. Errors which are completely omitted from the books of accounts
8. The cost of raw materials consumed direct wages and any other direct expenses
9. Account opened to check the accuracy of arithmetical entries in the general ledger
10. Organization mainly deal with provision of services.
 | 1. Trading organization
2. Non trading organization
3. Bad debts
4. Accrued debts
5. Prime cost
6. Factory cost
7. Retired Bills
8. Bills payable
9. Government Audit
10. Internal audit
11. Dividend
12. Partnership Act
13. Dishonored bills
14. Bills receivable
15. Control Account
16. Balance sheets
17. Error of commission
18. Error Omission
19. Del-credere commission
20. Sales commission
 |

**SECTION B: 20 MARKS**

**Answer all questions in this section**

1. a) Identify the following expenditures to the appropriate types of expenditures.

(Capital expenditure or Revenue expenditure)

|  |  |
| --- | --- |
| Expenditure | Types of expenditure |
| 1. Buying a Van
 |  |
| 1. Petrol costs for a van
 |  |
| 1. Repairs to Van
 |  |
| 1. Buying Machinery
 |  |
| 1. Electricity costs of using machinery
 |  |

b) Outline four (4) causes of depreciation.

 4. a) Define double entry book-keeping

b) Classifying the following under the heading of personal, real and Nominal accounts and state which side of the ledger would appear.

1. M. Mangi (a supplier)
2. Sales
3. Insurance
4. Bank over draft
5. Plant and machinery
6. Stock

c). Enumerate the main differences between an income and expenditure account and receipts and payment account.

**SECTION C: 60 MARKS**

**Answer all questions in this section**

5. The following balance were taken from the books of Pure and Real on 31 December 2008

Capital Account:- Pure 10,000

 Real 8,000

Current Account: Pure 400CR

 Real 600DR

Drawings: Pure 1,100

 Real 800

Net profit for the year 3,780

Their partnership agreement provides that:-

1. Profit and loses should be shared equally
2. 5% interest be allowed on fixed capital
3. 8% interest be charged on drawing
4. Pure who manages the sales department be allowed a commission equal to 10% of the Net profit after allowing an annual salary of 780 to Real.
5. They agree to transfer 500 to a general reserve

Show the following accounts in their ledger

1. Profit and loss appropriation account
2. Partners current accounts.

6. The following is a trial balance, extracted from the books of Kimalio at 31 December 2016 which did not balance and the difference put to a suspense account

|  |  |  |
| --- | --- | --- |
| DETAIL | DR | CR |
| Sales |  | 23,850 |
| Purchases | 12,900 |  |
| Wages | 951 |  |
| General expenses | 210 |  |
| Fixtures | 30,500 |  |
| Debtors and Creditors | 6,680 | 10,910 |
| Cash in hand | 20 |  |
| Cash at bank | 1,510 |  |
| Kimalio capital A/C |  | 21,675 |
| Kimalio drawing A/C | 700 |  |
| Suspence (difference in books) | 2,964 |  |
|  | 56,435 | 56,435 |

On investigation the following errors were discovered.

1. Purchase account in the ledger is under cost by Tshs 1000/=
2. Wages expenses balance of Tshs 915 is extracted in the trial balance as Tshs 951
3. Sales to Irene Namaganda of ths 15,000/= is correctly recorded in the sales journal but posted to her account in the sales ledger as Tshs 25,000.
4. Purchases of Tshs 2000/= from J.Okello is recorded in the purchases journal but it is not posted to his account in the purchases ledger .
5. The opening balance of Tshs 25, 000/- in the fixtures account is brought forward as Tshs 20,000/=

You are required to pass journal entries for the correction of the errors.

7. Rachel does not maintain a full set of books; however she keeps a cash book, which he finds adequate as he deals on cash terms only. The following summary was prepared from his cash books for the year 2008.

RECEIPTS AND PAYMENT A/C AT 31ST DEC. 2008

|  |  |  |  |
| --- | --- | --- | --- |
| Balance b/ce Sales Additional capital | 78021, 6101,000 | PurchasesRent & RatesWages &salariesLight and heatOffice expensesTransportDrawingsNew furniture New MotorcarBalance c/d | 10,2309802,7608401,0501,4902,400 7502000890  |
| 23,390 | 23,390 |

The following additional information is also available.

1. On 1 Jan 2008, Rachel asset were stock in trade 2,520 ,furniture 1,250, premises 5000.
2. On 31 December 2008 her stock in trade was valued at 2,710.
3. Charge 10% depreciation on furniture and 15% on the motor car no depreciation need be provided on premises.

Draw up Rachel Trading and profit and loss account for the year ended 31 December 2008 and his balance sheet as at that date