Candidate's Examination Number ……

THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
FORM TWO SECONDARY EDUCATION EXAMINATIONS

0062 **BOOK KEEPING**

Time: 2 Hours **Monday 01st December 2014 a.m.**

Instructions

1. This paper consists of sections A, B and C.
2. Answer **all** questions.
3. **All** writing must be in blue or black ink.
4. **All** answers must be written in the spaces provided.
5. **All** communication devices and calculators are **not** allowed in the examination room.
6. Write your **Examination Number** at the top right corner of every page.

FOR EXAMINER'S USE ONLY		
QUESTION NUMBER	**SCORE**	**EXAMINERS' INITIALS**
1		
2		
3		
4		
5		
6		
7		
TOTAL		

SECTION A (20 Marks)

Answer **all** questions in this section

1. For each of the items (i) - (x), choose the correct answer and write its letter in the box provided.

(i) Which of the following statements is **incorrect**?
- A Assets – Capital = Liabilities.
- B Liabilities + Capital = Assets.
- C Liabilities + Assets = Capital.
- D Assets – Liabilities = Capital.

(ii) Which of the following is a liability?
- A Machinery
- B Motor vehicles
- C Account payable for goods
- D Cash at bank

(iii) Which of the following best describes the meaning of sales?
- A Goods bought for cash.
- B Goods bought on credit.
- C Goods bought for resale.
- D Goods paid for cash and credit.

(iv) What is meant by book keeping?
- A An art of recording business transactions.
- B An art of recording cash transaction.
- C An art of recording bank transactions.
- D An art of recording cash and credit transaction.

(v) Which of the following is correct?
- A Profit does not change capital.
- B Profit reduces capital.
- C Capital can only come from profit.
- D Profit increases capital.

(vi) In government accounting a term family include an officer's
- A wife and children
- B father, wife and children
- C and all relatives
- D mother, father, wife and children
- E mother, wife and children

(vii) Net profit is calculated in the
- A trading account
- B trial balance
- C balance sheet
- D profit and loss account

(viii) The gross profit can be described as
- A excess of sales over cost of goods sold
- B sales less purchases

C cost of goods sold plus opening stock
D net profit less expenses of the period

(ix) The sales day book can be described as

A part of the double entry system B a list of credit sales
C a list of supplier accounts D part of real accounts

(x) A debit balance of sh. 25,000 in a cash account shows that

A there was sh. 25,0000 cash in hand
B cash has been overspent by sh. 25,000
C sh. 25,000 was the total of cash paid out
D the total of cash received was less than 25,000

2. Match the items is **Column A** with the responses in **Column B** by writing the letter of the correct response below the item number in the table provided.

Column A	Column B
(i) The amount of resources invested in the business by the owner.	A Tangible assets
(ii) The property belonging to the business.	B Bank balance
(iii) The property acquired or created and held permanently by the business.	C Current assets
(iv) The property than one can touch and see.	D Revenue receipts
(v) A statement of the financial position of an enterprise as at a given date.	E Fixed assets
(vi) The property belonging to a business which is of a temporary nature.	F Current liabilities
(vii) Activities involving transfer of money or goods from one person to another.	G Business
(viii) A schedule of balances, both credit and debit, extracted from the accounts in the ledger.	H Capital
(ix) The claims for which must be paid in full, within a short period.	I Cash balance
(x) The business owner reduces the business resources for personal use.	J Trial balance
	K Credit purchases
	L Assets
	M Drawings
	N Transactions
	O Balance sheet

ANSWERS

Column A	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Column B										

SECTION B (20 Marks)

Answer **all** questions in this section

3. (a) Mention three classes of accounts.

(i) _____

(ii) _____

(iii) _____

(b) Name two sides of account.

(i) _____

(ii) _____

4. Identify the accounts affected by the following transaction and show action to take in recording the accounts in the double entry system.

	Transaction	Account to be credited	Account to be debited
(i)	Owner put cash into business.		
(ii)	Bought goods for cash.		
(iii)	Sold goods for cash.		
(iv)	Received cash for rent.		
(v)	Owner withdraws cash from business for personal use.		

SECTION C (60 Marks)

Answer **all** question in this section

5. The following balances were extracted from the books of Mkubwa Nawenawe.

Cash in hand		134,000
Cash at bank		307,500
Stock at the beginning		600,000
Furniture and fittings		915,000
Machinery		1,000,000
Debtors:	Mapipa	25,000
	Mbala	200,000
	Majanga	35,000
Purchases		220,000
Wages		48,000
Rent		80,000
Electricity		6,000
Sundry Expenses		14,000
Discount allowed		2,500
Creditors:	Joti	7,000
	Mpoki	45,000
	Sunche	120,000
Sales		945,000
Discount received		20,000
Capital		2,472,500

Using the information provided, prepare a trial balance.

6. Lupelo started business on 1st January, 2014 having transferred sh. 96,000 from his private bank account to the business office. During the month of January he carried out the following transactions:

2014		
January	1	Paid sh. 4,800 for rent for the month and made purchase of sh. 38,300.
	2	Paid sh. 3,800 for stationery and sh. 1,920 for stamps.
	4	Cash sales sh. 17,280 and purchased goods for cash sh. 60,000.
	7	Paid sh. 2,880 in respect of wages to assistant.
	10	Borrowed sh. 48,000 from Katondo, a friend
	13	Bought a used pick-up for sh. 92,160 from Karanga against sh. 19,200 deposit.
	19	Cash sales sh. 42,240.
	20	Paid wages for two weeks, sh. 5,760.
	21	Cash sales sh. 40,000.
	22	Commission received for sh. 20,000.
	23	Bought goods from Webuye Wholesalers Ltd, for sh. 62,400 on credit.
	29	Drew sh. 28,800 for private use.
	30	Cash sales sh. 26,880.
	31	Paid another sh. 57,600 off pick-up account.

Write up Lupelo's one column cash book.

7. From the following particulars extracted from the books of a trader, prepare trading account for the year ending 30th December 2013.

Transactions	**Sh.**
Sales	155,000
Sales returns	8,000
Purchases	140,000
Purchases returns	18,500
Carriage inwards	12,000
Warehouse wages	10,000
Opening stock 1st January, 2013	55,000
Closing stock 31st December, 2013	85,000