Candidate's Examination Number .....

THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
FORM TWO NATIONAL ASSESSMENT

062 BOOK KEEPING

Time: 2:30 Hours Tuesday, 21st November 2017 9:00a.m.

Instructions

1. This paper consists of sections A, B and C with a total of seven (7) questions.
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, calculators and any unauthorized materials are **not** allowed in the examination room.
6. Write your **Examination Number** at the top right corner of every page.

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

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SECTION A (20 Marks)

Answer **all** questions in this section.

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

(i) Which of the following is the objective of book keeping?
A Bridge the gap between buyer and seller
B Fair tax assessment
C Paying tax to the government
D Creation of employment

(ii) A system whereby a petty cashier is reimbursed to maintain his or her original financial position is known as
A double entry system. B imprest system.
C petty cash system. D columnar petty cash book.

(iii) A cheque entered in the cash book but not yet passed through the bank for payment is called
A standing order. B unpresented cheque.
C dishonoured cheque. D uncredited cheque.

(iv) Which of the following account is used to determine the gross profit for a given period?
A Sales account B Profit and loss account
C Trading account D Cash account

(v) The ledger account where debtors are found is categorized as
A nominal ledger. B general ledger.
C purchases ledger. D sales ledger.

(vi) At what side does the total of discount received in the cash book is posted?
A Credit side of discount received account
B Debit side of purchases account
C Credit side of creditors account
D Debit side of discount received account

(vii) The goods bought for resale but remain unsold to the end of the financial year are called
A returns inwards. B returns outwards.
C closing stock. D opening stock.

(viii) The authority letter issued by the accounting officer, or his deputy covering authority for specific expenditure is known as
A exchequer issue notification. B warrant of fund.
C public money. D consolidated fund.

(ix) Which of the following are the correct sources of government revenue?

A Taxation, licenses fees, grants and borrowing
B Sales, gross profit, capital expenditure and rent payable
C Miscellaneous expenses, interest from investments, loans
D Taxation, rent receivable, dividends payable

(x) Which of the following presents current assets in the balance sheet?

A Bank overdraft
B Creditors
C Cash at bank
D Furniture

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

List A	List B
(i) The excess of current assets over current liabilities.	A Current liabilities
(ii) Stock, debtors, cash at bank and cash in hand.	B Balance sheet
(iii) The figure obtained by summing up fixed assets and current assets.	C Profit and loss account
(iv) Statement which shows the financial position of the business in a particular period.	D Capital employed
(v) Creditors and bank overdraft.	E Net profit
(vi) The resources owned by the business.	F Capital
(vii) The properties bought for the business uses and have long life.	G Total assets
(viii) The total amount of money from which a business is owed over five years.	H Long term liabilities
(ix) The amount of money or money worth invested into a business for the purpose of making profits.	I Current assets
(x) The form of capital which is obtained by adding working capital to fixed assets.	J Trial balance
	K Working capital
	L Fixed assets
	M Cash
	N Assets

ANSWERS

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

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SECTION B (20 Marks)

Answer **all** questions in this section.

3. Complete the following table by indicating the account to be debited and the account to be credited from each transaction. Part (f) is given as an example.

S/N	Transactions	Account to be debited	Account to be credited
(a)	Cash deposited into bank		
(b)	Cash drawn for personal use		
(c)	A cheque received from Sahani		
(d)	Purchase of goods on credit from Naja.		
(e)	Purchases of motor van by cheque.		
(f)	Payment for rent in cash	Rent account	Cash account

4. Classify each of the following transactions into either "capital expenditure" or "revenue expenditure". Part (f) is given as an example.

Expenditure	Type of expenditure
(a) Purchases of goods for cash for Tsh. 1,500,000	
(b) Cost of acquiring land to build a warehouse Tsh. 2,000,000	
(c) Carriage cost on purchases Tshs. 100,000	
(d) Purchases of bricks for building a warehouse Tsh. 400,000	
(e) Cost of carrying brick to the premises Tsh. 50,000	
(f) Insurance paid Tsh.30,000	Revenue expenditure

SECTION C (60 Marks)

Answer **all** questions in this section.

5. Write up Delinda's cash book to record the following transactions, balance off the account on 31/1/2017 and bring down the balances on 1/2/2017.

January 1 Started business with Tsh. 300,000 in the bank and Tsh. 150,000 cash.
2 Bought goods for cash Tsh. 23,000.
3 Paid rent in cash Tsh. 10,000.
5 Bought stationery and paying by cheque Tsh. 4,900.
6 Sold goods on credit to Nazaro worth Tsh. 14,000.
8 Bought goods and paid by cheque Tsh. 200,000.
9 Received cash from Nazaro Tsh. 14,000.
12 Cash sales Tsh. 105,000.
19 Paid rates by cheque Tsh. 2,000.
22 Bought furniture in cash Tsh. 55,500.
25 Sold goods and received a cheque for Tsh. 50,000.

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26 Bought goods on credit from Majunju Tsh. 100,000.
30 Cash paid into bank Tsh.30,000
30 Cash paid to Majunju Tsh. 75,000
31 Cashed cheque for office use Tsh. 45,000

6. Mangungo enterprises had a cash book showed a debit balance of Tsh. 786,000 at the bank account on 30th June, 2014 while the bank statement on 30th June, 2014 showed a credit balance of Tsh. 1,378,000. In comparing the cash book with the bank statement the following differences had been observed:
   (a) Uncredicted cheque of Tshs. 152,000
   (b) Unpresented cheques of Tsh. 568,000
   (c) Bank charges of Tsh. 10,000 appeared on the bank statement but not in the cash book.
   (d) A standing order Tsh. 10,000 payable on 28th June had been paid by the bank but no entry had been made in the cash book.
   (e) Interest of Tsh. 196,000 credited by the bank to Mangungo's current account but no entry has been made in the cash book.

   Using the information provided:
   (i) Adjust the cash book to show the correct balance.
   (ii) Prepare bank reconciliation statement as at 30th June, 2014 using balance as per cash book.

7. Extract a trial balance from the list of balances obtained from the books of Koku a sole trader, for the financial year ended 31st July 2016.

Details	Tsh.
Purchases	720,000
Stock 1st June 2015	120,000
Carriage outwards	30,000
Discount allowed	8,000
Interest received	2,600
Sales	1,300,000
Returns outwards	15,000
Bank overdraft	120,000
Rent and rates	49,600
Sundry debtors	18,000
Capital	1,231,000
Sundry creditors	35,000
Cash in hand	30,000
Salaries	156,000
Land and buildings	1,170,000
Furniture and fittings	62,000
Returns inwards	100,000
Drawings	110,000
Motor vehicles	130,000

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