Candidate's Examination Number .....

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

062 **BOOK KEEPING**

Time: 2:30 Hours **Friday, 16th November 2018 p.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. Calculators, cellular phones 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		
ENTERER'S INITIALS		
CHECKER'S INITIALS		

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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 from among the given alternatives and write its letter in the box provided.

(i) Which of the following should be shown in the balance sheet?

A Sales
B Motor vehicle expenses
C Gross profit
D Net profit

(ii) In trading account, the amount of carriage inwards should be added to

A Cost of goods available for sale.
B Purchase.
C Cost of goods sold.
D Sales.

(iii) Which of the following items appears on the debit column in the trial balance?

A Sales
B Opening stock
C Closing stock
D Commission received

(iv) Which of the following statement is **not** a business transaction?

A Payment of wages to a house girl
B Payment of wages to a shop attendant
C Receipts of cash against sale of goods
D Purchases of fixed assets for the business

(v) A book of original entry used to record goods returned to creditors is called

A Purchases journal.
B Sales journal.
C Purchases returns journal.
D Sales returns journal.

(vi) A document which shows the customer's bank transactions in a particular period is called

A Bank statement.
B Bank reconciliation statement.
C Adjusted cash book.
D Cheque book.

(vii) The financial assistance from friendly countries which are not refundable is called

A Dividends.
B Loans.
C Interest on investment.
D Grants.

(viii) Which of the following is the correct treatment for closing stock in trading account?

A Should be added to cost of goods available for sale.
B Should be added to cost of goods sold.
C Should be deducted from cost of goods available for sale.
D Should be deducted from cost of goods sold.

(ix) Which of the following account has a credit balance?

A Discount received
B Wages
C Salaries
D Discount allowed

(x) The day to day expenses used in running of the government are called

A Improperly vouched expenditure.
B Nugatory expenditure.
C Recurrent expenditure.
D Development expenditure.

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)	Activity undertaken with the aim of making profit.	A Transaction
(ii)	A document which notifies the buyer of the reduction in the amount owing by him to the seller.	B Drawings
(iii)	Transport charges regarding the goods sold.	C Double entry principle
(iv)	Cash or goods taken from the business for personal use.	D Carriage inwards
(v)	Cash book in which cash discounts are recorded.	E Credit transaction
(vi)	The system of recording business transactions twice.	F Invoice
(vii)	A document given by a seller to the buyer when goods are bought on credit.	G Business
(viii)	The movement of money or money value from one person to another.	H Purchases
(ix)	A process of buying goods or services for resale.	I Receipt
(x)	Selling of goods or services but no cash is received on the date of sale.	J Three column cash book
		K Carriage outwards
		L Sales
		M Credit note

Answers

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

SECTION B (20 Marks)

Answer **all** questions in this section.

3. Identify whether the following accounts are nominal, real or personal.

S/N	Name of Account	Class of Account
(i)	Creditors	
(ii)	Sales	
(iii)	Stock	
(iv)	Purchases	
(v)	Rent	
(vi)	Machinery	
(vii)	Cash	
(viii)	Advertising	
(ix)	Debtors	
(x)	Land	

4. Why cash book and bank statement balances differs? Give five reasons.

(i) .....

(ii) .....

(iii) .....

(iv) .....

(v) .....

SECTION C (60 Marks)

Answer **all** questions in this section.

5. The following information was drawn from the books of Sunga on 30th April, 2017.

Details	TZS
Furniture and fittings	180,000
Capital	1,140,000
Stock	180,000
Debtors	312,000
Net profit	656,000
Land and buildings	848,000
Cash at bank	100,000
Cash in hand	50,000
Drawings	286,000
Creditors	160,000

Use the given information to prepare Sunga's Balance Sheet as at 30th April, 2017.

6. Enter the following transactions in a petty cash book with the analysis columns for postage, travelling, cleaning, petrol and stationery. The cash float is TZS 300,000 and should be reimbursed on 31st January 2018.

Date	Details	Amount
01/01/2018	Received from cashier as petty float	300,000
03/01/2018	Postage	23,000
04/01/2018	Bus fare	12,000
05/01/2018	Cleaning	15,000
06/01/2018	Petrol for delivery van	54,000
08/01/2018	Bus fare	33,000
12/01/2018	Stationery	26,000
14/01/2018	Cleaning	62,000
28/01/2018	Postage	18,000

7. On 1st January, 2018 Peter's books shows the following assets and liabilities.

Details	**TZS**
Cash in hand	200,000
Cash at bank	800,000
Furniture	50,000
Buildings	200,000
Stock	30,000
Debtors:	
P. Fundi	50,000
M. Sonje	20,000
Creditors:	
Chacha	300,000
John	150,000

Using the given information, prepare Journal proper to determine Peter's capital as at 1st January, 2018.

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