Student's Assessment Number ……..

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

062 **BOOK KEEPING**
Time: 2:30 Hours **Year: 2020**

Instructions

1. This paper consists of sections A, B and C with a total of **seven (7)** questions.
2. Answer **all** questions.
3. Section A and B carry **twenty (20)** marks each and section C carries **sixty (60)** marks.
4. All writing must be in **blue** or **black** ink.
5. All answers must be written in the spaces provided.
6. Calculators, cellular phones and any unauthorised materials are **not** allowed in the assessment room.
7. Write your **Assessment Number** at the top right hand corner of every page.

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

SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the 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 best describes purchases?

A Items bought
B Goods bought for resale
C Goods bought on credit
D Goods bought in cash

(ii) Which of the following is **not** the objective of studying Book Keeping?

A To control business
B To determine profit
C To assure fair tax assessment
D To provide opportunity for employment

(iii) What is the alternative name for the sales journal?

A Sales invoice
B Sales day book
C Daily sales
D Sales ledger

(iv) What does a debit balance of TZS 40,000 in the cash account of a business shows?

A The business has TZS 40,000 cash in hand
B Cash has been overspent by TZS 40,000
C The total of cash received was less than TZS 40,000
D TZS 40,000 was the total of cash paid out

(v) Given a desired cash float of TZS 20,000, if TZS 14,600 is spent in the period, how much will be reimbursed at the end of the period?

A TZS 20,000
B TZS 5,400
C TZS 14,600
D TZS 25,400

(vi) A cheque paid by the business but not yet passed through the banking system is known as

A stale cheque.
B dishonoured cheque.
C uncredited cheque.
D unpresented cheque.

(vii) Which of the following best describes a trial balance?

A It shows the financial position of a business.
B It is a list of non current assets.
C It is a list of ledger accounts balances.
D It is a list of all ledger accounts.

(viii) A petty cash book is used for recording

A cash payments.
B small cash payments.
C bank payments.
D small bank payments.

(ix) Which of the following is an asset to a business?

A Debtors
B Creditors
C Bank overdraft
D Loan to the business.

(x) Which of the following are sources of government revenue?

A Taxation, license fees, government employees salaries
B Taxation, grants, public roads maintenance
C Taxation, interest from investments, grants, aids
D Taxation, dividends from investments, consolidated fund.

2. For each of the items (i) - (x), match the descriptions of the terms used in Book Keeping in **Column A** with their corresponding names in **Column B** by writing the letter of the correct response below the corresponding item number in the table provided.

Column A	**Column B**
(i) A monthly or quarterly summary which the bank sends to its customers.	A Bank overdraft
(ii) A statement prepared to reconcile cash book balance and bank statement balance.	B Bank reconciliation statement
(iii) The amount deducted by the bank for the services offered to its customers.	C Reimbursement
(iv) An instruction given by account holder authorizing his bank to make regular payments on his behalf.	D Bank charges
(v) The amount of money which the bank customer can draw out of the bank in excess of his bank balance.	E Statement of financial position
(vi) Deposits directly lodged into customer's bank account without his/her knowledge	F Bank statement
(vii) A cheque deposited in the trader's bank account is returned by the bank unpaid for various reasons.	G Imprest system
(viii) Accounting mistakes in recording and posting some transactions and entries in the books of accounts.	H Direct remittances
(ix) An evidence for petty cash payments.	I Errors
(x) The actions by which petty cashier is refunded the amount spent in the given period.	J Dishonoured cheque
	K Petty cash voucher
	L Standing order
	M Petty cash expenses
	N Cheque
	O Credit transaction

ANSWERS

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

SECTION B (50 Marks)
Answer **all** questions in this section.

3. Mention five types of errors which affect the trial balance agreement.

   (i) _____

   (ii) _____

   (iii) _____

   (iv) _____

   (v) _____

4. For each of the items (i) - (v), compute the missing amounts and write them in the space provided.

	Assets TZS	**Liabilities TZS**	**Capital TZS**
(i)	15,700	_____	8,650
(ii)	_____	8,850	24,700
(iii)	27,310	6,350	_____
(iv)	_____	13,430	38,150
(v)	20,500	_____	17,620

	Cost of Sales TZS	**Gross Profit TZS**	**Sales TZS**
(vi)	26,000	14,000	_____
(vii)	_____	48,000	92,000
(viii)	115,000	_____	130,000
(ix)	156,000	24,000	_____
(x)	_____	45,000	95,000

SECTION C (60 Marks)

Answer **all** questions in this section.

5. On 1st January 2019 Ritta started business as a furniture dealer with the following assets and liabilities:

Details	**TZS**
Cash in hand	20,000
Cash at bank	80,000
Furniture	50,000
Buildings	20,000
Debtors: P. Fundi	50,000
M. Sonje	20,000

Ritta owes TZS 30,000 to Charles and TZS 10,000 to John.

Record the given balances in the General Journal and post them to their respective ledger accounts on 1st January 2019.

6. Rukia had the following items in her balance sheet on 30th April 2019:
Capital TZS 31,700: creditors TZS 7,400: fixtures TZS 9,600: car TZS 12,300; stock TZS 8,600; debtors TZS 8,150; cash at bank TZS 3,040 and cash in hand TZS 2,900.

During the first week of May 2019:
(a) She bought extra stock for TZS 1,100 on credit.
(b) One of Rukia's debtors paid her debt of TZS 4,500 by cheque.
(c) She bought a computer by cheque TZS 6,100.

Using the information provided, draw up Rukia's Statement of Financial Position as at 7th May, 2019.

7. At close of business on 31st March 2018, Mkwawa's bank balance according to his cash book was TZS 78,00. This does not agree with the balance at the bank as shown by the bank statement. The disagreement between cash book and bank statement balances was caused by the following items.
   (a) Mzalendo, one of Mkwawa's debtors had paid the sum of TZS 7,300 directly into Mkwawa's bank account, bank interest credited to Mkwawa's account by the bank TZS 25,000.
   (b) A banker's standing order for a trade subscription of TZS 25,000 was paid by the bank during the month of March but the transaction has not yet passed through the cash book.
   (c) The following cheques were drawn by Mkwawa during the month of March 2018 but had not been presented for payment at the bank on 31st March, 2018. Rashid TZS 3,400; Hashim TZS 4,100; Lissa TZS 6,000; Lucy TZS 4,000; Halima TZS 10,000; Lucas TZS 7,000; Joseph TZS 3,000; Teddy TZS 12,000; Maryam TZS 15,000; Matthew TZS 20,000 and William TZS 5,200.
   (d) The sum of TZS 112,000 was paid into the bank account by Mkwawa on 31st March, 2018 but this item did not appear in the bank statement until a later date.

   Use the information provided to prepare a Bank Reconciliation Statement as at 31st March, 2018 starting with the balance as per cash book.