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: 2022

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions.
3. Section A carries **fifteen (15)** marks, section B **forty (40)** marks and section C carries **forty five (45)** marks.
4. All writing must be in blue or black ink.
5. All answers must be written in the spaces provided.
6. Non programmable calculators may be used.
7. Cellular phones and any unauthorised materials are **not** allowed in the assessment room.
8. 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		
8		
9		
TOTAL		
CHECKER'S INITIALS		

2 219062 100018

Student's Assessment Number.....

SECTION A (15 Marks)

Answer **all** questions.

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

(i) James, the owner of coffee shop took TZS 18,000,000 from the coffee shop account. He used the money to buy a motor vehicle for his wife. The act by James is best described as

A purchases. B sales.
C drawings. D capital.

(ii) Mengi sold a machine for cash TZS 8,000,000. What would be the effect of this transaction in the accounting records?

A Asset of cash will increase, Asset of machine will decrease.
B Asset of cash will decrease, Asset of machine will increase.
C Asset of cash will increase, Asset of machine will increase.
D Asset of cash will decrease, Asset of machine will decrease.

(iii) A Book Keeping teacher asked students in a class to define a Trial Balance. Which definition would you give?

A Is a statement showing a list of debit and credit balances.
B Is a statement showing a list of debit balances.
C Is a statement showing a list of credit balances.
D Is a statement showing a list of assets and liabilities.

(iv) The following are internal users of financial statements **except**

A managers. B owners.
C investors. D wholesalers.

(v) What would be the double entry for cash withdrawn from bank for business use?

A Debit cash account, credit business account.
B Debit business account, credit bank account.
C Debit bank account, credit cash account.
D Debit cash account, credit bank account.

(vi) Mr. Swai purchased goods on credit from Jones for TZS 3,800,000. The supplier offered him a trade discount of 2%. How much would be the amount due to the supplier?

A TZS 3,876,000 B TZS 3,800,000
C TZS 3,724,000 D TZS 76,000

(vii) During the Book Keeping lesson, students were taught about expenses that can be paid out of petty cash. The following are among those expenses, **except**

A van replacement cost. B staff travelling cost.
C wages cost. D postage cost.

(viii) The bank column of the cash book showed a credit balance of TZS 1,600,000. If the bank statement shows a standing order payment of TZS 200,000, how much would be the adjusted cashbook balance?

A TZS 1,200,000 debit balance
B TZS 200,000 credit balance
C TZS 1,800,000 debit balance
D TZS 1,800,000 credit balance

(ix) The appropriate measure to correct budget deficit of the government may involve
A seeking aids and grants abroad.
B encouraging more expenditure on unproductive sectors.
C reducing taxes and levy.
D increasing recurrent expenditure.

(x) Which error is corrected through the suspense account?
A Commission received of TZS 210,000 debited to sales account.
B Credit note issued of TZS 500,000 not recorded in the books.
C Purchase of office furniture TZS 450,000 debited to purchases account.
D Purchase of stationery TZS 250,000 entered in the books as TZS 25,000.

2. For each of the items (i) to (v), match the descriptions of types of errors which do not affect the agreement of a trial balance in **Column A** with their corresponding names in **Column B** by writing the letter of the correct response below the item number in the table provided.

Column A		Column B
(i)	An error where a transaction is not recorded in the books.	A Error of principle B Complete reversal of entries C Error of commission D Compensating error E Error of original entry F Error of omission G Error of recording
(ii)	An error where the correct amount is entered but in the wrong account.	
(iii)	An error where an item is entered in the wrong class of account.	
(iv)	An error where errors cancel out each other in the trial balance.	
(v)	An error where the original amount of a transaction is incorrectly recorded in the accounts.	

Answers

Column A	(i)	(ii)	(iii)	(iv)	(v)
Column B					

SECTION B (40 Marks)

Answer **all** questions.

3. Credit note and debit note are documents widely used in recording financial business transactions. Briefly contrast between the two documents by giving five points.

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(ii) .....

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(iii) .....

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(iv) .....

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(v) .....

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4. For each of the transactions (i) – (x), state the name of the account to be debited and the account to be credited by inserting the name of the account in the appropriate column.

S/N	Transaction	Account to be Debited	Account to be Credited
(i)	Started business with cash in hand		
(ii)	Cash purchase of goods for resale		
(iii)	Paid rent by cash.		
(iv)	Deposited cash into bank.		
(v)	Paid insurance through bank.		
(vi)	Sold good on credit to Pamoja.		
(vii)	Sold goods in cash to John.		
(viii)	Cash withdrawn from bank for personal use.		
(ix)	Bought stationeries for cash.		
(x)	Received a cheque from Pamoja.		

5. Mataya traders bought goods worth TZS 5,000,000 from Khumbo Stores. Mataya is offered a trade discount of 10% and a cash discount of 5% if he pays the bill within 30 days. Use the information provided to calculate the following:

   (a) Trade discounts
   (b) Amount due to Khumbo Stores
   (c) Discount received if he paid within 30 days
   (d) Net amount to be paid to Khumbo Stores

6. The bank column of Kinyonga's cash book showed a balance of TZS 7,500,000 on 31st March, 2021, while the bank statement showed a balance of TZS 4,700,000. Analyze five causes for the difference between the two balances.

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(ii) .....

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(iii) .....

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(v) .....

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SECTION C (45 Marks)

Answer **all** questions.

7. Mwendapole Enterprises had the following transactions for the month of April 2021:

April

1 Bought from Majogoo traders:
100 dozens of kids clothes @ TZS 3,000.
250 pairs kids shoes @ TZS 2,000.

7 Bought from Wasanii traders:
100 cartons of milk biscuits @ TZS 4,000.
130 cartons of tamu biscuits @ TZS 2,000.
200 cartons of leo biscuits @ TZS 1,000.

10 Returned to Wasanii traders:
15 cartons of mango juice @ TZS 4,000.
10 cartons of apple juice @ TZS 2,000.

15 Bought from Tuwangoma:
50 boxes of white chalk @ TZS 2,000.
45 boxes of red chalk @ TZS 1,500.
60 boxes of blue chalk @ TZS 1,500.
50 boxes of green chalk @ TZS 1,000.

25 Bought from Lipembe clothes worth TZS 300,000

28 Returned to Tuwangoma:
25 boxes of while chalk @ TZS 2,000.

Record the transactions for April, 2021 in the Purchases Journal, Purchases Returns Journal and post the entries to the Purchases Account, Returns Outwards Account, Majogoo Traders Account, Wasanii Traders Account, Tuwangoma Account and Lipembe Account.

8 The financial year of Hamisa & Family Stores ends on 31st December annually. The following information has been extracted from the Stores' accounting records for the year ending 31st December 2020

Details	**Balances in TZS**
Inventory on 1st January 2020	1,037,000
Purchases	8,500,000
Rent	450,000
Insurance	187,000
Heating expenses	160,000
Motor van expenses	584,000
Salaries	922,000
Sales	9,780,000
Sundry expenses	252,200
Motor van	1,050,000
Creditors	1,975,000
Debtors	2,016,000
Fixtures & Fittings	1,011,200
Buildings	8,200,000
Cash at bank	848,400
Drawings	1,416,600
Capital	10,079,400
Cash in hand	500,000
Bank loan	5,300,000
Inventory on 31st December 2020	1,535,000

Use the information provided to prepare the Store's Income Statement for the year ending 31st December, 2020 and Statement of Financial Position as at 31st December, 2020.

9. A trial balance extracted from the books of Beda had the following totals: Debit column total TZS 938,400 and Credit column total TZS 932,300. Beda placed the difference in the books in a newly opened suspense account. Later on, he discovered the following errors:

(a) A credit note of TZS 2,300 received from Zamzam a wholesaler had not been recorded anywhere in the books.
(b) A credit note of TZS 1,400 issued to Mawiwo, a retailer had been entered correctly in the appropriate subsidiary book but had not been posted to the personal account.
(c) A cheque of TZS 7,400 received from Dennis was entered as TZS 4,700 in the cash book and posted to the ledger accordingly.
(d) Discounts allowed, TZS 2,350, were credited to discounts received account in the ledger.
(e) Rent received, TZS 2,200, has been credited to premises account.
(f) Sales book was under cast by TZS 9,400.
(g) Motor vehicle expenses TZS 15,000 was posted to salaries account.
(h) A sale on credit to Ashurah was entered to Shirati account.

Use the information provided to pass Journal entries to rectify the errors and prepare the Suspense Account.