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: 2024**

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in the spaces provided.
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. Non programmable calculators may be used.
6. Communication devices and any unauthorized materials are **not** allowed in the examination 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		
8		
9		
TOTAL		
CHECKER'S INITIALS		

2 | 419052 | 100012

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(vii) Mrs. Yamisha, a sole proprietor paid TZS 20,000 for a bus fare on 30th September, 2021. Which column of the petty cashbook should be used to record this expenditure?

A Postage expenses
B Cleaning expenses
C Stationery expenses
D Travelling expenses

(viii) Mr. Kate, a sole proprietor maintains his office petty cash book on the imprest system. Asha, a petty cashier received a float of TZS 10,000,000. During the month, she paid bus fare TZS 350,000, postage TZS 250,000 and fuel TZS 100,000. How much would be reimbursed to Asha at the end of the month to maintain the float at its original amount?

A TZS 1,000,000
B TZS 700,000
C TZS 300,000
D TZS 1,700,000

(ix) The debit column of the Trial Balance of Kamugisha is greater than the credit column. Which combination of errors might have caused this difference in the trial balance totals?

A Commission and omission
B Omission and compensating
C Incomplete entry and casting
D Compensating and transposition

(x) The cash book showed a debit balance of TZS 1,200,000. Credit transfer of TZS 500,000 and standing order of TZS 300,000 are reflected on the bank statement. What would be the adjusted cash book balance?

A TZS 2,000,000
B TZS 400,000
C TZS 1,000,000
D TZS 1,400,000

SECTION A (15 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 the term posting?

A Making the entry in the journal.
B Making the first entry of a double entry.
C Making the second entry of a double entry.
D Making the entry in the cash book.

(ii) Which action should be taken by the business firm when goods are returned to the supplier?

A To issue a credit note
B To issue a debit note
C To issue a purchases invoice
D To issue a receipt

(iii) Mwansasu started business on 1st January 2021 with TZS 10,000,000 in cash. What is the double entry for recording this transaction?

A Dr Cash account; Cr Capital account.
B Dr Capital account; Cr Cash account.
C Dr Mwansasu account; Cr Cash account.
D Dr Cash account; Cr Mwansasu account.

(iv) Which one of the following errors can cause the disagreement of the trial balance?

A Errors of complete reversal of entry
B Compensation errors
C Wrong posting
D Errors of original entry

(v) Mr. Ngesa's sales for the year was TZS 9,000,000, returns inwards TZS 1,000,000 and carriage outwards 500,000. How much was the net sales for the year?

A TZS 10,000,000
B TZS 8,000,000
C TZS 8,500,000
D TZS 9,500,000

(vi) Mr. Baraka issued a sales invoice to Newman for TZS 800,000 offering 10% trade discount and 5% cash discount. How much would be paid by Newman?

A TZS 760,000
B TZS 800,000
C TZS 680,000
D TZS 684,000

2. Match the descriptions of the terms used in government accounting 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) A pool of funds whereby all government collectors of revenue deposits and from which all government expenditures are drawn.	A Sinking fund
(ii) A fund established to provide money which will eventually assist either in whole or in part to repay, borrowed money (public debt).	B Virement
(iii) A fund set aside from the consolidated fund to meet a special purpose for example a civil contingency fund.	C Special fund
(iv) A fund established to cater for urgent payments, for urgent services, which could not have been foreseen and provided for.	D Consolidated fund
(v) An expenditure authority granted by accounting officer covering authority for specific expenditure.	E Government fund
	F Warrant of fund
	G Civil contingency fund

Answers

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

SECTION B (40 Marks)

Answer **all** questions in this section.

3. Differentiate credit note from debit note. Give 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. Complete the following Bank Statement of Mr. Bashange for the month of January 2022 by writing the amount represented by each of the items (i) - (x) beside the item number in the table provided.

Bank Statement for the Month of January 2022

Date	Details	Withdrawals	Deposits	Balance
January 1	Balance			1,000,000
3	Loan repayment	150,000		(i)
4	Advance salary		(ii)	1,050,000
5	Jamii contribution	(iii)		950,000
8	Interest received		100,000	(iv)
10	Electricity-Luku	50,000		1,000,000
12	Cash deposit		(v)	1,300,000
15	Rent	50,000		(vi)
17	Employee bonus		(vii)	1,400,000
20	PAYE tax	(viii)		1,275,000
22	Credit transfer: Jam		400,000	(ix)
23	Standing order	100,000		1,575,000
28	Direct deposit		200,000	1,775,000
31	Bank charges	5,000		(x)

Answers

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

5. Analyze the transactions made by Mr. Mnzava by showing the accounts involved and indicate whether the account will be affected by an increase or decrease in its balance. Transaction (i) has been done as an **example**.

Transaction	Account Involved	Effect
(i) Paid rent by cheque	Rent account Bank account	Increase Decrease
(ii) Proprietor brought furniture into the business	....	....
(iii) Loan repaid by cheque	....	....
(iv) Sold goods on credit to Kamata	....	....
(v) Paid electricity bills by cash	....	....
(vi) Fukayose paid his account by cheque	....	....

6. For each of the items (i) – (v), show how the error would be corrected by writing the name of the account to be debited with its amount and the name of the account to be credited with the amount in the Column of Account with Amount.

S/N	Error Description	Account with Amount
(i)	Furniture bought by cheque TZS 1,000,000 has been debited to purchases account.	DR:..... CR: .....
(ii)	Sales day book has been understated by TZS 4,000,000.	DR:..... CR: .....

(iii)	Purchases invoice received from Kimola TZS 3,000,000 has been entered in the purchases day book only.	DR:..... CR: .....
(iv)	Cheque received from Mataka TZS 700,000 has been debited to Mataka account and credited to bank account.	DR:..... CR: .....
(v)	Cheque paid to Mapunda TZS 2,400,000 has been debited to Matunda account.	DR:..... CR: .....

SECTION C (45 Marks)

Answer **all** questions in this section.

7. The following information has been extracted from the accounting records of Mr & Mrs Mwakila for the year ended 31st December 2021:

Details	**TZS**
Capital	75,000,000
Drawings	12,050,000
Purchases	221,400,000
Sales	347,350,000
Returns inwards	6,000,000
Returns outwards	4,900,000
Furniture	10,000,000
Motor vehicles	25,000,000
Salaries	70,000,000
Carriage inwards	9,600,000
Rent	1,850,000
Wages	4,400,000
Insurance	4,250,000
Inventory at start	31,450,000
Carriage outwards	1,900,000
Advertising	6,050,000
Cash at bank	13,900,000
Cash in hand	600,000
Discount allowed	1,550,000

Discount received	2,750,000
Debtors	30,000,000
Creditors	20,000,000
Inventory at close	36,800,000

Using the information provided, prepare **Mr & Mrs Mwakila's** Income Statement for the year ending 31st December 2021 **and the Statement of Financial Position** as at 31st December 2021.

8 Ujamaa Business Venture maintains their Petty Cash Book with analysis columns for postage, stationery, office expenses, travelling expenses and ledger accounts. The float is reimbursed on the first day of the month. The Venture had the following transactions for the Month of September, 2022:

2022	Details	TZS
September 1	Received cash float	200,000
3	Paid for bus fare	20,000
5	Bought stamps	15,000
10	Paid for stationery	22,000
15	Paid Office Messenger	23,000
17	Paid Athanasy	34,000
18	Paid for telegrams	12,000
22	Paid train fares	18,000
25	Bought carbon papers	10,000
28	Paid office expenses	15,000
30	Paid for office tea	6,000

Record the transactions for September, 2022 in Ujamaa Business Venture's Petty Cash Book, balance of the book on 30th September 2022 and reimburse the amount spent in September on 1st October, 2022.

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9. Jimmy Jeremy extracted a Trial Balance from his accounting records on 30th September 2022. Unfortunately, the trial balance failed to balance and the difference was placed to a suspense account pending further investigation. Later on the following errors were discovered:

(i) Credit sale of TZS 15,000 to Lillian has not been entered in the accounts.
(ii) A payment by cheque for TZS 12,500 to H. Price Ltd, a creditor has been recorded in the account of H. Prince.
(iii) The cost of a new delivery van, TZS 1,000,000 has been entered to vehicle expenses account.
(iv) Postages of TZS 5,500, paid by cheque have been entered on the wrong sides of both accounts.
(v) The totals of the purchases day book and the purchases returns day book have been under cast by TZS 10,000.
(vi) A payment for TZS 89,000 from Linda. E, a debtor has been entered in the accounts as TZS 98,000.
(vii) A cheque payment of TZS 127,500 for office expenses has been entered in the cash book but no entry has been made in the office expenses account.
(viii) A payment for photocopying of TZS 130,500 by cheque has been correctly entered in the cash book, but is shown as TZS 117,000 in the photocopying account.
(ix) The sales returns day book has been over cast by TZS 15,000.
(x) Commission received of TZS 37,500 has been entered twice in the account.

Prepare Journal Entries to correct the errors.

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