THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
CERTIFICATE OF SECONDARY EDUCATION EXAMINATION

062

BOOK-KEEPING
(For Both School and Private Candidates)

Time: 3 Hours **Tuesday November 9, 2004 p.m.**

Instructions

1. This paper consists of sections A, B and C.
2. Answer **all** questions.
3. Cellular phones are **not** allowed in the examination room.
4. Electronic calculators are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet(s).

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 beside the item number.

(i) Given the cost of goods sold as shs. 800,000.00 and a margin of 20%, what is the percentage of the mark-up?

A 40
B 20
C 25
D 50
E 75.

(ii) The manufacturing account seeks to arrive at

A production costs paid in the year
B cost of goods produced
C cost of goods sold
D gross profit of goods sold
E net profit of goods produced.

(iii) Where there is no partnership agreement, profit and losses must be shared

A in the same proportion as capital.
B equally
C in the same proportions as current accounts
D equally after adjusting capital balances
E as required by the Gama V Murray.

(iv) A provision for bad debts is created when

A debtors become bankrupt
B debtors cease to be in business
C in need of creating bad debts
D in need of writing off bad debts
E debtors become obscolete.

(v) Which of the following is a nominal account?

A Bank a/c
B Furniture and fittings
C Motor vehicles a/c
D Motor vehicle running expenses
E Bank overdraft.

(vi) Which document is raised when goods are received from a debtor?

A Debit note
B Credit note
C Goods Received Note
D Sales invoice
E Purchases invoice.

(vii) Which of the following should be charged to profit and loss a/c?

A Work in process
B Direct materials costs
C Carriage on raw materials
D Office rent
E Indirect labour.

(iv) If the opening capital was shs. 16,500, closing capital shs. 11,350 and drawings were shs. 3,300,

A the loss for the year was shs. 1,850 B the profit for the year was shs. 1,850

C the loss for the year was shs. 8,450 D the profit for the year was shs. 8,450

E the profit for the year was shs. 11,350.

(v) Capital expenditure is

A the extra capital paid in by the proprietor

B the extra purchase of goods for sale

C the cost of running the business on a day to day basis

D money spent on buying fixed assets or adding value to them

E money spent on selling fixed assets.

(vi) Which of the following belong to the same class?

A Building, Machinery, Stock, Cash B Andrew, CRDB, Wages, Bank

C ESAMI, Debtors, Creditors, Capital D Cash, Insurance, Furniture, Loan

E Stock, Creditors and cash.

(vii) When a customer returns goods previously sold to him, the shopkeeper will use a document called

A invoice B credit note C pay-in-slip D order note E debit note.

(viii) A revaluation account shows

A assets bought and assets sold B goodwill written off C goodwill sold

D goodwill premium E gain or loss in value of assets.

2. Match the items in list A with the responses in list B by writing the letter of the correct response beside the item number.

LIST A

(i) Refers to things bought for resale

(ii) Credited in Trading Account at the end of the accounting period

(iii) Paid for services which have not yet been received

(iv) Is where expenses, revenue and capital are recorded

(v) The Government bank account that is operated by the paymaster general and kept by the Bank of Tanzania

(vi) Assumption that a business is to continue for a long time

(vii) Cash or goods brought into the business by the owner

(viii) Created after ascertaining the net profit

(ix) Involves the transfer of money or money worth between parties

(x) All income and changes relating to the financial period to which the accounts relate should be taken into account without regard to the date of receipt or payment

LIST B

A	Realization concept	L	Stock
B	Cheque	M	Going Concern Concept
C	Reserves	N	Real Account
D	Business Transaction	O	Purchase
E	Capital	P	Exchequer Account
F	Provisions	Q	Nominal account
G	Cash Concept	R	Prepayments
H	Liability	S	Opening stock
I	Government Account	T	Closing stock
J	Expense		
K	Accrual Concept		

SECTION B (20 marks)

Answer **ALL** questions in this section

3. On 1st January 2001 the following balances, among others stood in the books of Henry Mtungi

Insurance (Debit) shs. 184,200
Lighting and Cooling (Debit) shs. 166,200

During the year ended 31st December 2001 the information related to these two accounts was as follows:

(a) Stocks of oil for lighting on 31st December 2001 was shs. 55,200

(b) An electricity bill of shs. 49,800 for December 2001 was unpaid as on 31st December 2001

(c) An Insurance rebate of shs. 33,000 was received on 30th June 2001

(d) Fire Insurance shs. 576,000 covering the year ended 30th April 2002 was paid

(e) Oil bills of shs. 756,000 were paid

(f) Electricity bills of shs. 524,400 were paid

(g) General Insurance shs. 378,000 covering the year ended 31st August 2002 was paid.

From the following details, you are required to draw up the trading account for Majaliwa's departmental store for the year ended 31st December 2003.

	31.12.2003	31.12.2002
Stocks:		
Electrical department	20,000	35,000
Furniture department	120,000	140,000
Leisure goods department	18,000	30,000
Sales for the year:		
Electrical department	655,000	
Furniture department	1,860,000	
Leisure goods department	950,000	
Purchase for the year:		
Electrical department	300,000	
Furniture department	900,000	
Leisure goods department	250,000	
Sales returns:		
Furniture department	50,000	
Leisure goods department	22,000	
Purchase returns:		
Electrical department	18,500	
Furniture department	35,000	
Transport inwards for the year	145,000	

Note: Transport inwards is to be apportioned on the basis of purchases.

Complete the following table, showing the actions, accounts to be debited and accounts to be credited. Also show the effects, that is the increase and decrease in assets or liabilities. Item (a) has been done for you as an example.

No.	Description	Actions	Effects
(a)	Motor van is bought for shs. 275,000 cash.	(i) Dr. Motor Van (ii) Cr. Cash	(i) Increases (ii) Decreases
(b)	Withdrew shs. 2,000 from bank and placed it in the cash till.	(i) (ii)	(i) (ii)
(c)	Tuti pays the firm shs.15,000 by cheque.	(i) (ii)	(i) (ii)
(d)	Started business by putting shs.100,000 into a business bank a/c	(i) (ii)	(i) (ii)
(e)	Bought furniture for the business paying shs.20,000 cash from his private sources.	(i) (ii)	(i) (ii)
(f)	Bought goods shs.18,000 on credit from Juma.	(i) (ii)	(i) (ii)