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

062 **BOOK KEEPING**

(For Both School and Private Candidates)

Time: 3 Hours **Year: 2021**

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Section A carries **twenty (20)** marks and section B and C carry **forty (40)** marks each.
4. Non programmable calculators may be used.
5. Cellular phones and any unauthorised materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



csee2020

Scanned with CamScanner

SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the items (i) - (xv), choose the correct answer from among the given alternatives and write its letter beside the item number in the answer booklet provided.

(i) What is the main reason for admitting a new partner in partnership business?

A To gain more profits in the business.
B To receive more salary.
C To help writing off bad debts.
D To reduce the business loses.
E To expand the business.

(ii) Which item would appear under non-current liabilities in the statement of financial position?

A TZS 70,000, 8-years loan from National Bank of Commerce
B TZS 900,000 investment maturing in 10-years' time
C TZS 50,000 accrued expenses
D TZS 80,000, 6-months loan from CRDB
E TZS 20,000 credit sales

(iii) How can a Book Keeper use a Trial Balance?

A To disclose all assets of the business at the trial balance date.
B To disclose the financial position of a business at the year end.
C To check the arithmetical accuracy of double entry records in the ledger.
D To prove that the debit column amount is equal to the credit column amount.
E To list all liabilities of the business at the Trial Balance date.

(iv) During the month of January, a petty cashier was provided with an opening cash float of TZS. 70,000. However, at the end of the same month the closing cash float balance was 15,900. How much should be reimbursed to the cashier at the end of the month?

A TZS 15,900
B TZS 70,000
C TZS 54,100
D TZS 140,000
E TZS 101,820

(v) Which of the following errors would be disclosed by the Trial Balance?

A Selling expenses had been debited to sales account.
B Credit sales of TZS 30,000 entered in the books as TZS 3,000.
C Cheque for TZS 95,000 from C. Jones entered in C. Jones account as TZS 59,000.
D A purchase of goods worth TZS 250 omitted from the books.
E Cheque for TZS 25 from J. Moses was omitted from the books of account.

(vi) What is the purpose of the provision for doubtful debts account in the business?

A To write off bad debts.
B To recover all bad debts.
C To record all possible bad debts.
D To provide debtors discounts.
E To record bad debts allowances.

Scanned with CamScanner

(vii) Amani business had an opening balance of TZS 12,500 for creditors at the beginning of the year and the closing creditors' balances of TZS 21,000 at the year end. During the year, the payment made to creditors amounted to TZS 16,000. Calculate the amount of purchases during the year.

A TZS 33,500
B TZS 27,000
C TZS 16,500
D TZS 24,500
E TZS 7,500

(viii) A business has the cost of goods sold worth TZS 150,000 and the mark up of 40%. Calculate the amount of sales for the business.

A TZS 102,000
B TZS 90,000
C TZS 60,000
D TZS 150,000
E TZS 210,000

(ix) How would you record the commission due to consignee in the books of the consignee?

A Dr. Consignee's account and Cr. Consignment account
B Dr. Consignment account and Cr. Profit and loss account
C Dr. Profit and loss account and Cr. Consignment account
D Dr. Consignor's account and Cr. Commission Receivable account
E Dr. Goods on consignment account and Cr consignment account

(x) A customer buys 100 items of TZS 5,000 each and has been given a 25% trade discount if he pays within 30 days. What amount would he pay within the discounting period?

A TZS 735,000
B TZS 625,000
C TZS 573,000
D TZS 375,000
E TZS 125,000

(xi) How is the capital for a non-profit making organization described?

A Capital employed fund
B Capital supplied fund
C Accumulated fund
D Gross working capital fund
E Accumulated shares fund

(xii) How could a purchase of a non-current asset by cheque affect the balance sheet?

A By decreasing non-current asset account and decreasing bank account.
B By increasing bank account and decreasing asset account.
C By increasing non-current asset account and decreasing cash account.
D By increasing cash account and decreasing asset account.
E By increasing non-current asset account and decreasing bank account.

Scanned with CamScanner

(xiii) Costs incurred for machine repairs in accounting for departmental businesses is appropriately apportioned according to

A the value of machinery in each department.
B the value of non-current assets in each department.
C the number of machines in each department.
D the number of machine hours used in each department.
E the floor area occupied by each machine.

(xiv) How are the records maintained by accounting officers for proper control of expenditure of public funds against provision of funds called?

A Vote book
B Special accounts
C Expenditure accounts
D Receipts accounts
E Cash books

(xv) Which categories of errors represent errors which do not affect the Trial Balance agreement?

A Errors caused by inaccurate arithmetic operations.
B Errors which cancel out each other in the trial balance.
C Errors caused by omission of a balance of account.
D Errors caused by entering an item once in an account.
E Errors caused by posting an item on a wrong side of an account.

Scanned with CamScanner

2. Match the explanations of accounting concept in **Column A** with the corresponding names in **Column B** by writing the letter of the correct response beside the item number in your answer booklet.

Column A		Column B	
(i)	The concept which separates business affairs from business ownership.	A	Accounting period concept
(ii)	The concept which assumes that business operations will continue for a long period of time without ceasing.	B	Accrual concept
(iii)	The concept under which non – current assets are recorded in the books of account at the price paid to acquire the asset.	C	Business entity concept
(iv)	The concept under which revenue is recognized when it is earned and expenses are recognized when they are incurred.	D	Dual aspects concept
(v)	The concept which relates expenses incurred during the accounting period with the revenue recognized during the same period.	E	Historical cost concept
		F	Matching concept
		G	Going concern concept

SECTION B (40 Marks)

Answer **all** questions in this section.

3. When comparing the balance at bank as shown in the cash book with that given in the bank statement issued by the bank, it is more likely that these two balances may not agree. Briefly describe five reasons for the disagreement.

4. Suppose you are an independent auditor who examines firms' accounting records and financial statements, briefly describe five types of audits.

5. On 1st January 2015 Mikuyu Motors Company Ltd purchased Motor Lorry worth TZS 12,000,000. The company used the asset for three years. On 31st December 2017 the lorry was sold for TZS 3,000,000. It is the policy of the company to compute depreciation using straight line method.

   Using the information provided, prepare the Motor Lorry and Provision for Depreciation on Motor Lorry Account for the three years ending 31st December 2015, 2016 and 2017.

Scanned with CamScanner

6. The following information was extracted from the records of Waero Ltd for the month of August 2017. Use the information provided to prepare the Sales Ledger Control Account of Waero Ltd for the month of August 2017.

	TZS
At August 1:	
Sales ledger debit balance	381,600
Sales ledger credit balance	2,200
Transactions for the month:	
Cash received	10,400
Cheques received	623,900
Sales	709,000
Bad debts written off	30,600
Discounts allowed	29,800
Returns inwards	66,400
Cash refunded to a customer who had over paid his account	3,700
Dishonoured cheques	2,900
Interest charged on customers over due debts	5,000
Carriage charged to debtors	6,400
Set off against purchases ledger	14,300
At August 31:	
Sales ledger debit balance	335,000
Sales ledger credit balance	4,000

SECTION C (40 Marks)

Answer **two (2)** questions from this section.

7. (a) Bora Shoes Ltd is a company which manufactures shoes. The following information was extracted from the company's books for the year ending 31st December 2019:

Details	TZS
Purchase of raw materials	800,000
Inventory of raw materials on 1st January 2019	400,000
Returns of raw materials to supplier	52,000
Plant and machinery depreciation	350,000
Inventory of raw materials on 31st December 2019	50,000
Rent	944,000
Rates	865,000
Insurance	3,192,000
Water and lighting	8,3000,000
Wages and salaries	10,184,000
Direct labour	6,436,000
Direct expenses	440,000
Power and heat	1,163,000
Factory maintenance	511,200
Work in progress on 31st December 2019	963,400
Plant repairs	96,600

Scanned with CamScanner

Internal transport expenses (factory)	175,000
Carriage on raw materials	195,000
Lubricants and fuel	512,000

Additional information:

(i) 20% of rent and rates is non-factory overheads.
(ii) 45% of insurance, water and lighting are chargeable to administration.
(iii) 50% of wages and salaries are chargeable as factory cost.

Use the information provided to prepare the Statement of Manufacturing Cost for the year ending 31st December 2019.

(b) From the following information of Monalisa Furniture shop, prepare the Bank and Cash Accounts and balance off the accounts at 30th April 2017.

April 1 Started business with capital in cash TZS 200,000.
2 Paid rent by cash TZS 46,000.
3 Goseji lent Monalisa TZS 400,000 paid directly into her bank account.
4 Monalisa paid Nyanzobe by cheque TZS 172,000.
5 Cash sales TZS 38,000.
7 Loveness paid Monalisa by cheque TZS 68,000.
9 Monalisa paid Kitambi in cash TZS 184,000.
11 Cash sales paid direct into the bank TZS 302,000.
15 P. Mkola paid Monalisa in cash TZS 192,000.
16 Monalisa took TZS 20,000 out of the cash till and paid it into the bank account.
19 Monalisa repaid Kapigawasi TZS 100,000 by cheque.
22 Cash sales paid direct into the bank TZS 24,400.
26 Paid motor expenses by cheque TZS 15,000.
30 Withdrew TZS 40,000 cash from the bank for business use.
30 Paid wages in cash TZS 64,000.

Scanned with CamScanner

8. The following is the receipts and payments account of Chamwino social club for the year ending 31st December 2017:

Chamwino Social Club
Receipts and Payments Account

Dr Cr

Details	TZS	Details	TZS
Balance b/d	202,500	Salaries	60,000
Subscription: Year 2016	40,000	Printing and postage	20,000
Year 2017	206,000	General expenses	7,500
Year 2018	60,000	Drama expenses	4,500
Donations	5,400	Stationery	1,500
Proceeds of drama	9,500	Municipal taxes	4,000
Sale of waste papers	4,500	Charity	3,500
		Electricity bills	1,450

Additional information:
(i) There are 500 members, each paying annual subscription fee of TZS 450.
(ii) TZS 9,000 is still in arrears for the year ended 2016 and it was decided to be written off.
(iii) Buildings stand in the books at TZS 500,000 and are to be depreciated at 5%.
(iv) General expenses of TZS 2,100 for the year have not been paid.

Use the information provided to prepare the following:
(a) Statement of Affairs at 1st January 2017.
(b) Subscriptions Account for the year ending 31st December 2017.
(c) Statement of Income and Expenditure for the year ending 31st December 2017.
(d) Statement of Financial Position for the year ended 31st December 2017.

Scanned with CamScanner

9. The following balances remained in the ledgers of John and James after they had prepared their trading account for the year ending 31st December 2016:

Details	**Dr**	**Cr**
Gross profit		271,500
General reserve		50,000
Accounts payable		215,000
Premises	350,000	
Furniture	14,000	
Motor vans	32,000	
Accounts receivable	140,000	
Inventory, 31st December	194,200	
Wages & salaries	132,900	
Light & heat	13,600	
Rates & insurance	7,800	
Office expenses	8,300	
Rent receivable		11,000
Cash in hand	1,300	
Cash at bank	21,000	
Drawings: John	38,400	
James	46,500	
Current account balances on 1st January:		
John		500
James		2,000
Capital accounts:		
John		250,000
James		200,000
	1,000,000	1,000,000

Additional information:

(i) Wages & salaries owing TZS 2,300.
(ii) An insurance premium of TZS 2,400 was paid on 1st April 2016 for one year.
(iii) Unused office stationery at 31st December 2016 was valued at TZS 300.
(iv) A provision for bad and doubtful debts is to be created at 2% of debtors.
(v) Depreciation is to be provided at 15% on book value of motor van and furniture.
(vi) Rent accrued for December 2016 was TZS 1,000.
(vii) James is entitled to a monthly salary of TZS 600.
(viii) Allow for interest on partners' fixed capital at 5% per annum.
(ix) TZS 20,000 should be transferred to general reserve at year end.
(x) Profits and losses are shared equally by the partners.

Use the information provided to prepare the following:

(a) Profit or Loss and the Appropriation Accounts for the year ending 31st December 2016;
(b) Partners' Current Accounts in columnar form; and
(c) The firm's Statement of Financial Position as at 31st December 2016.

Scanned with CamScanner