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: 2023**

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, B and C.
3. Section A carries **fifteen (15)** marks, section B carries **forty (40)** marks and C carries **forty five (45)** marks each.
4. Non programmable calculators may be used.
5. Communication devices and any unauthorised materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



SECTION A (15 Marks)

Answer **all** questions in this section.

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

(i) What is meant by the term depreciation?

A The amount spent to buy fixed assets
B The salvage value of fixed assets
C The cost of fixed assets used up by the firm
D The amount of money spent in replacing assets
E The amount of money invested into business

(ii) What is meant by the term working capital?

A Capital less drawings
B Total of fixed assets less current assets
C Amount of capital invested by the owner of business
D The excess of current assets over current liabilities
E The excess of current liabilities over current assets

(iii) A budget can be considered as

A a plan expressed in monetary value over unspecified period of time
B a way of deciding development over a specified period.
C a process of planning business in a short period of time.
D a plan in monetary terms over a specified period of time.
E a design to help the government in longer period of time.

(iv) What is the best method of apportioning expenses in departmental accounts?

A To allocate expenses in proportion to sales.
B To charge controllable costs against departments.
C To charge all expenses between the departments.
D To allocate expenses in proportion to purchases.
E To allocate revenue and expenses.

(v) Where is the total of discounts allowed column in the cash book posted?

A To the debit of discounts allowed account
B To the debit of discounts received account
C To the credit of discounts allowed account
D To the credit of discounts received account
E To the credit of the bank account

(vi) Which attributes make information provided in the financial statements useful to the users of accounting information?

A Materiality, relevance and tolerance
B Subjectivity, reliability and materiality
C Tolerance, subjectivity and reliability
D Reliability, comparability and relevance
E Subjectivity, reliability and tolerance

(vii) Which one of the following are nominal accounts?

A Premises and Rent received
B Wages and Machinery
C Debtors and Stationery
E Sales and Cash at bank
D Insurance and Rates

(viii) How would you treat the distribution of profits among partners if they decide to maintain a fluctuating capital account in their partnership books?

A Credit to partners' current accounts
B Debit to partners' current accounts
C Credit to partners' drawings accounts
D Debit to partners' capital accounts
E Credit to partners' capital accounts

(ix) Given opening capital of TZS 16,500, closing capital of TZS 11,350, and drawings for the year of TZS 3,300; what would be the profit or loss for the year?

A Loss for the year is TZS 18,500
B Loss for the year is TZS 1,850
C Profit for the year is TZS 1,850
D Loss for the year is TZS 8,450
E Profit for the year is TZS 8,450

(x) How would you record the expenses for goods sent to a consignee if the consignor pays all the expenses?

A Dr Consignment account, Cr goods sent on consignment account
B Dr Consignment account, Cr consignor account
C Dr Consignment account, Cr consignee account
D Dr Cash book, Cr consignment account
E Dr Consignment account, Cr cash book

2. For each of the items (i) - (v), match the descriptions of the terms used in bank reconciliation in **List A** with their corresponding names in **List B** by writing the letter of the correct response beside the item number in the answer booklet provided.

List A	List B
(i) Cheque drawn and entered in the cash book but not presented at the bank for the payment.	A Direct deposits
(ii) Cheque received and entered in the cash book but not recorded by the bank.	B Direct debits
(iii) Cheque refused to be paid by the bank.	C Dishonored cheque
(iv) Instructions given by account holder to his/her bank to make specific payment within specified period of time.	D Honoured cheque
(v) Amount deposited in the bank account by a customer but not entered in the cash book up to the date of bank statement.	E Uncredited cheque
	F Outstanding cheque
	G Payment order
	H Standing order

SECTION B (40 Marks)

Answer **all** questions in this section.

3. Analyze each of the following transactions by identifying the accounts affected by each of them.
   (a) Jisena started her business with cash at bank.
   (b) Purchased furniture for cash.
   (c) Purchased goods for cash.
   (d) Purchased goods from Kokugonza on credit.
   (e) Received a cheque from Dina for settlement of her debt.

4. Briefly explain the following terms:
   (a) Petty cash book
   (b) Consignment
   (c) Business entity concept
   (d) Periodicity concept
   (e) Value for money audit.

5. The following business information was extracted from the books of D & D Shop for the month of December 2018. Use the information provided to prepare the Sales and Purchases Ledger Control Accounts for the Month of December 2018.

1st December 2018: Sales ledger - debit balance	26,000
Purchases ledger-credit balance	280,600
Transaction for the month:	
Credits sales	84,200
Credit purchases	260,200
Cash received	25,500
Payment to creditors	317,500
Discount allowed	1,400
Returns to creditors	14,000
Sales returns	400
Bad debts	500
Interest charged by creditors	500
Carriage charged to creditors	400
31st December 2018: Purchases ledger - debit balance	2,700

6. The following information for rent and rates was extracted from the books of Mohammed Estates Ltd for the year ending 30th April 2019.

Details	1st May 2018 (TZS)	30th April 2019 (TZS)
Rent owing	30,000	30,000
Rates owing	4,000	7,000
Rent prepaid	10,000	50,000
Rates prepaid	20,000	40,000

During the year to 30th April 2019 the following amounts were paid:

Details	Cash (TZS)	Bank (TZS)
Rent	200,000	450,000
Rates	80,000	240,000

The amount of TZS 200,000 paid for rent by cash includes TZS 15,000 which relates to Insurance.

Use the information provided to prepare a combined Rent and Rates Account for the year ending 30th April 2019.

SECTION C (45 Marks)

Answer **all** questions in this section.

7. Mrs. Amanda is a sole proprietor owning a single shop. In the absence of her accounting technician, she prepared the following Trial Balance at 31st January 2018 which did not agree:

Mrs. Amanda's Trial Balance as at 31st January 2018

Name of Account	Dr	Cr
Capital 1st February 2017	784,500	
Drawings	1,950,000	
Inventory 1st February 2017		841,000
Trade accounts receivable		3,451,700
Furniture and fittings	240,000	
Cash in hand	83,600	
Trade accounts payable		689,000
Sales		12,760,000
Returns inwards		243,800
Discount received	141,900	
Business expenses	320,400	
Purchases	7,210,000	
Total	**10,730,400**	**17,985,500**

In addition to the mistakes in the Trial Balance, the following errors were also discovered:

(a) A payment of TZS 31,500 made to a creditor had not been posted from the cash book into the purchases ledger.

(b) A cheque for TZS 18,800 received from a customer had been correctly entered in the cash book but posted to the customer's account as TZS 18,000.

(c) A purchase of fittings TZS 40,700 had been included in the purchases account.

(d) The total of discounts allowed column in the cash book of TZS 4,200 had not been posted into the general ledger.

Using the information provided, prepare the Furniture and Fittings, Trade Accounts Payable, Trade Accounts Receivable, Discounts Allowed, Purchases Accounts to correct the errors and Mrs. Amanda's corrected Trial Balance at 31st January 2018.

8. The following Trial Balance has been extracted from the books of Vipuli Manufacturing Ltd for the year ending 31st December 2017:

Vipuli Manufacturing Ltd's Trial Balance as at 31st December 2017

Details	Dr	Cr
Stock of finished goods	38,900	
Stock of partly finished goods	13,500	
Stock of raw materials	21,000	
Royalties	187,000	
Indirect wages	145,000	
Purchases of raw materials	373,500	
Productive machinery (Cost TZS 280,000)	230,000	
General factory expenses	44,700	
Administration computers (Cost TZS 20,000)	12,000	
General administration expenses	111,900	
Sales		1,000,000
Debtors and Creditors	160,600	64,000
Drawings	60,000	
Capital account		334,100
Total	**1,398,100**	**1,398,100**

Notes at 31st December 2017:

(a) Stock of partly finished goods TZS 15,000, stock of finished goods TZS 40,000 and stock of raw materials TZS 24,000.

(b) Depreciation of productive machinery and administration computers is 10 percent per annum on cost.

(c) Goods are transferred to the warehouse at production cost plus 10 percent manufacturing profit.

Use the information provided to prepare the Statement of Manufacturing Cost and the Income Statement of Vipuli Manufacturing Ltd for the year ending 31st December 2017.

9. The following Statement of Affairs was drawn up by the Treasurer of Bright Star Social Club on 30th September 2017:

Bright Star Social Club Statement of Affairs as at 30th September 2017

Liabilities	**TZS**	**Assets**	**TZS**
Accumulated Fund	600,000	Buildings	400,000
Bar creditors	58,000	Furniture and Fittings	75,000
Wages owing	11,000	Sports equipments	100,000
Rates due	6,000	Bar stock	57,000
		Subscriptions due	13,000
		Cash in hand	1,000
		Bar debtors	29,000
	675,000		675,000

The club made the following receipts and payments during the year to 30th September 2018:

Details		**TZS**
Receipts:	Subscriptions	428,000
	Bar takings	691,000
	Sale of old sports equipment	28,000
		447,000
Payments:	Bar creditors	123,000
	Sports supplies	136,000
	Wages	45,000
	Rates and insurance	39,000
	Office expenses	111,000
	General expenses	150,000
	New sports equipment	

Additional information:

(i) Half of the sports equipment were sold on 1st October 2017 by auction and new sports equipments bought.

(ii) Depreciation on sports equipment is charged at 30% on cost at 30th September 2018.

(iii) Half of the wages relate to bar staff and the remainder to sports grounds men.

(iv) The following estimates were made on 30th September 2018:
Furniture and fittings was valued at TZS 63,000, unused sports supplies at TZS11,000, bar stock at TZS 51,000, bar creditors TZS 57,000, bar debtors TZS 31,000, subscriptions due TZS 19,000, prepaid insurance TZS 6,000 and accrued wages TZS 15,000.

Use the information provided to prepare the Receipts and Payments Account, Bar Income Statement and the Club's Statement of Income and Expenditure for the year ending 30th September 2018.