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: 2024**

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.
4. Non programmable calculators may be used.
5. Communication devices and any unauthorized materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



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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) Given opening capital of TZS 500,000, closing capital of TZS 1,800,000, and drawings for the year of TZS 200,000; how much would be the profit or loss for the year?

A Loss for the year is TZS 1,000,000
B Loss for the year is TZS 2,100,000
C Profit for the year is TZS 2,500,000
D Loss for the year is TZS 1,100,000
E Profit for the year is TZS 1,500,000

(ii) Which accounts balances would appear on the **debit** column of the Trial Balance?

A Accounts payable and Accounts receivable
B Accounts receivable and Interest paid
C Rent received and Accounts payable
D Bank overdraft and Account receivable
E Interest received and Bank Overdraft

(iii) Which item would not be considered in the process of preparing Receipts and Payments account for the religious organization?

A Cheques paid during the year
B Subscriptions received
C Surplus
D Bank balance
E Receipt from sale of asset

(iv) Ms. Akilimali started business with cash from her savings of TZS 1,000,000, equipment valued TZS 200,000, motor van valued TZS 2,000,000 and a loan from Faraja SACCOS TZS 300,000. How much would be Ms. Akilimali's capital?

A TZS 1,200,000
B TZS 3,500,000
C TZS 2,900,000
D TZS 2,200,000
E TZS 3,200,000

(v) What is the recommended method of apportioning expenses in accounting for departmental stores?

A To allocate expenses in proportion to sales
B To charge against each department its uncontrollable costs
C To charge equally to each department
D To allocate expenses in proportion to purchases
E To charge against each department its controllable costs

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(vi) If the Book Keeper debited the repair cost for office equipment of TZS 50,000 to office equipment account, what would be the effect on income statement?

A Net profit would be understated
B Net profit would be overstated
C Net profit would not be affected
D Assets would be understated
E Both gross profit and net profit would be overstated

(vii) Which items would you record on the credit side of the Sales Ledger Control Account?

(i) Bad debts
(ii) Returns outwards
(iii) Provision for bad debts
(iv) Returns inwards

A (i) and (ii) B (i) and (iii)
C (ii) and (iii) D (iii) and (iv)
E (i) and (iv)

(viii) A retailer is offered credit terms of 2% on invoice price when payment is made within 10 days, otherwise the debt is to be paid in full within 30 days (i.e. 2/10, n/30). Which kind of discount is reflected in this business arrangement?

A Trade discount B Cash discount
C Bank discount D Retail discount
E Production discount

(ix) Which one are the primary objectives of hiring external auditor annually?

(i) To detect errors and fraud
(ii) To prove true and fair view of business state of affairs
(iii) To be assisted to improve accounting system
(iv) To confirm if proper books of accounts are being kept

A (i) and (ii) B (i) and (iii)
C (ii) and (iii) D (ii) and (iv)
E (iii) and (iv)

(x) Your school bought a combine harvester machine for TZS 20,000,000. It is to be depreciated at a rate of 25% per annum on diminishing balance. What would be the remaining book value of the machine after 2 years?

A TZS 10,000,000 B TZS 15,000,000
C TZS 5,000,000 D TZS 16,250,000
E TZS 11,250,000

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2. For each of the items (i) - (v), match the descriptions of the types of ledger 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)	Contains accounts of assets, revenues and expenses.	A	Purchases ledger
(ii)	Contains customers' accounts to whom goods have been sold on credit.	B	Ledger
(iii)	Contains confidential information such as capital, drawings and salaries accounts.	C	Private ledger
(iv)	A main book of account in which various accounts are opened and maintained.	D	Sales ledger
(v)	Contains suppliers' accounts from whom goods have been bought on credit.	E	Nominal ledger
		F	General ledger
		G	Expenses ledger

SECTION B (40 Marks)

Answer **all** questions in this section.

3. Briefly differentiate Continuous and Interim audits. Give four points.

4. You are the Book Keeper of Katarina, a Sole Trader. On 31st December 2021, you found that the cash book of the firm had a credit balance of TZS 15,600,000 while the bank statement on the same date showed a different balance. On investigation, you discovered the following:

   (a) Items shown in the bank statement but not yet entered in the cash book:
   - (i) Payments of insurance premium on standing order TZS 4,200,000.
   - (ii) Bank charges TZS 95,000.
   - (iii) Dividends collected by bank TZS 780,000.
   - (iv) Cheques dishonoured TZS 1,640,000.

   (b) Cheques drawn but not yet presented to the bank: Isaak Maina TZS 130,000; Daniel Philipo TZS 55,000; Florence John TZS 230,000; Jabir Mnene TZS 360,000.

   (c) Cash payment of TZS 540,000 entered in the cash book (bank column) as TZS 450,000.

   (d) Cheques paid into the bank not appearing in the bank statement: Joan David TZS 1,000,000; Isabela Saimon TZS 190,000; Wakufunza Restaurant TZS 85,000.

   Using the information provided, prepare the Adjusted Cash Book and a Bank Reconciliation Statement for the month ending 31st December 2021 starting with the balance as per adjusted cash book.

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5. Dotto is a sole trader at Makambako in Njombe, the trader has limited skills in recording credit sales in the books of prime entry. The following are his credit sales for the month of February 2022:

February 1 Sold to Mchikichini Secondary School:
15 boxes of continental chalks @ TZS 32,000
4 red pens boxes @ TZS 7,500
12 blue pen boxes @ TZS 5,500
100 manila cards @ TZS 2,000
2 pieces of Epson black ink No. 664 @ TZS 32,000.

February 5 Sold to Sonia traders:
15 dozen of blue band at TZS 6,000 per dozen
5 dozen of school shoes @ TZS 30,000 per piece.

February 12 Sold goods worth TZS 320,000 to Janelle:

February 15 Sold to Kiwele:
30 kg of rice @ TZS 2,900 per kg
15 kg of sugar @ TZS 2,500
30 dozens of exercises books at TZS 700 per pair
1 dozen of T-shirts at TZS 25,000 per T-shirt.

February 25 Sold 25 bags of Dangote cement to Mwendwa at TZS 16,500 per bag.

Assist Dotto to enter the transactions for February in the Sales Day Book and post the total credit sales for the month to the Sales Account in the general ledger.

6. Mtafutaji, a sole trader started business on 1st April 2022 with cash on hand TZS 10,000,000. During the month ending 30th April, 2022, he had the following transactions:

April 1 Opened a bank account with ABC bank paying in TZS 9,000,000
April 2 Purchased goods for cash TZS 400,000
April 3 Purchased a motor vehicle costing TZS 4,000,000 paying by cheque
April 4 Purchased goods on credit from Maji Matitu Traders TZS 240,000
April 5 Purchased goods worth TZS 1,000,000 paying by cheque
April 7 Cash sales TZS 400,000
April 8 Purchased a motor vehicle on credit from Joel Traders TZS 5,000,000
April 10 Paid rent in cash TZS 100,000
April 15 Sold goods receiving a cheque for TZS 700,000
April 16 Paid cash into bank TZS 400,000
April 17 Cash purchases TZS 300,000
April 18 Sold goods to Mnene on credit TZS 480,000
April 20 Paid wages in cash TZS 200,000
April 22 Received cash from Mnene TZS 300,000
April 30 Paid sundry expenses in cash TZS 160,000.

Record the transactions for April, 2022 in the Cash and Bank Accounts, balance off the accounts on 30th April 2022 and bring down the balances on 1st May, 2022.

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SECTION C (45 Marks)

Answer **all** questions in this section.

7. Nyota and Mwezi have been in partnership sharing profits and losses in the ratio of 3:2. They employed you as a part time Book Keeper and charged you with the duty of recording business transactions and preparing the firm's financial statements. The following information was extracted from the firm's accounting records:

Nyota and Mwezi Trial balance as at 31st December 2021

Name of Account	DR (TZS)	CR (TZS)
Capitals: Nyota		520,000
Mwezi		650,000
Current accounts: Nyota	78,000	
Mwezi	32,500	
Stock 1st January 2022	195,000	
Purchases	1,150,500	
Sales		2,649,400
Returns	36,500	42,750
Fixture and fittings	124,100	
Plant and machinery	1,400,000	
Trade debtors	212,400	
Trade creditors		317,000
Salaries and wages	946,400	
Rent and rates	200,850	
Cash in hand	42,150	
Bank overdraft		239,250
	4,418,400	**4,418,400**

Additional information:

(i) Wages and salaries accrued was TZS 63,000
(ii) Rent and rates prepaid was TZS 48,500
(iii) Closing stock on 31st December 2021 was TZS 292,750
(iv) Nyota to receive a salary of TZS 60,000
(v) Each partner to receive a 10% interest on capital

Use the information provided to prepare the Statement of Income and Profit or Loss Appropriation for the year ending 31st December, 2021 and Statement of Financial Position as at 31st December 2021.

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8. Use the information provided to prepare the Goods Sent on Consignment, Consignment to Nyakato, Consignee and Bank Accounts in the books of Mr. Kimara for the year ending 31st December, 2022:

Mr. Kimara consigned good to Nyakato costing TZS 2,000,000 on 1st January 2022. On sending the goods, he paid TZS 40,000 for freight, TZS 100,000 for insurance, TZS 100,000 for packing and TZS 20,000 as loading charges.

Nyakato conducted the business successfully and managed to send an account sales to Mr. Kimara showing that, the proceeds from sales were TZS 3,000,000 and incurred TZS 30,000 for landing charges, TZS 120,000 for transport and TZS 30,000 for storage. The unsold stock of goods in the hands of Nyakato was valued at a cost of TZS 600,000.

The agreement between the two parties shows that, Mrs. Nyakato is entitled to a commission of 5% and 1% del credere on sales. A sight draft was sent to Mr. Kimara for the amount due to him.

9. Prepare the Statement of Manufacturing Cost and Income Statement for the year ending 31st December 2021 using the following information:

	Details	**TZS**
Raw materials:	Stock on 1st January	195,000,000
	Purchases	760,000,000
	Stock on 31st December	205,000,000
Finished goods:	Stock on 1st January	255,000,000
	Purchases	45,000,000
	Stock on 31st December	285,000,000
Work in progress:	As at 1st January	80,000,000
	As at 31st December	91,000,000
Depreciation:	Factory plant and machinery	190,000,000
	General office assets	60,000,000
Light and heat:	Sales warehouse and office	10,500,000
Other information:	Sales	2,000,000,000
	Manufacturing wages	426,500,000
	Repairs of plant and machinery	67,500,000
	Carriage outwards	33,000,000
	Factory power	62,000,000
	Selling and distribution expenses	211,500,000

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