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

062 **BOOK KEEPING**

(For Both School and Private Candidates)

Duration: 3 Hours **Year: 2025**

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in each section.
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) Which source of funds is considered to be the main source of government revenue?

A Taxes
B Fines
C Fees
D Rent from public properties
E Dividends from parastatal organisations

(ii) What would be the entries for a cheque received from a credit customer?

A Debit bank account and Credit cash account
B Debit cash account and Credit bank account
C Debit cash account and Credit customer account
D Debit bank account and Credit customer account
E Debit bank account and Credit sales account

(iii) Muta received a cheque from Sangu in payment for goods bought on credit. Which book would be used to record this transaction?

A Cash book and sales ledger
B Cash book and nominal ledger
C Sales ledger and nominal ledger
D Purchases and sales ledger
E Purchases ledger and cash book

(iv) Bakaka stores bought goods on credit from Moteswa stores. Which document will be used to show the full details of the goods exchanged including their prices?

A Invoice
B Debit note
C Credit note
D Proforma invoice
E Payment voucher

(v) Given net sales of TZS 900,000; net purchases TZS 600,000; and closing inventory TZS 200,000; what would be the amount of gross profit?

A TZS 300,000
B TZS 700,000
C TZS 500,000
D TZS 100,000
E TZS 800,000

(vi) If sundry debtors at 1st April, 2021 were TZS 46,000, sundry debtors at 31st March, 2022 TZS 69,000, cash sales for the year ending 31st March, 2022 TZS 70,000 and total receipts from customers for the year ending 31st March, 2022, TZS 250,000. What was the amount of credit sales for the year ended 31st March, 2022?

A TZS 227,000
B TZS 273,000
C TZS 203,000
D TZS 343,000
E TZS 320,000

(vii) The following information relate to the subscriptions account of Kaberege Social Club. Prepaid b/d TZS 40,000; prepaid c/d TZS 30,000; Owing b/d TZS 60,000; Owing c/d TZS 80,000; and Cash received TZS 200,000. Determine the amount of subscription to be transferred to the Club's statement of income and expenditure.

A TZS 230,000
B TZS 170,000
C TZS 270,000
D TZS 130,000
E TZS 260,000

(viii) Which pair of items would be entered on the credit side of a partners current account?

A Interest on drawings and drawings
B Interest on drawings and interest on capital
C Interest on capital and share on profit
D Drawings and partners' salaries.
E Partners' loan and salaries

(ix) You are provided with the following ledger accounts balances: sales TZS 390,000; purchases TZS 180,000; purchases returns TZS 15,000; and accounts receivable TZS 130,000. Assuming these are the only accounts listed in the trial balance, what would be the total of the credit column?

A TZS 405,000
B TZS 570,000
C TZS 310,000
D TZS 325,000
E TZS 520,000

(x) The owner of Kabogo Enterprises hired an auditor to audit the financial statements of the enterprise. During the audit, the auditor was restricted on the scope of work. Which audit opinion will the auditor issue on the audited financial statements?

A Qualified opinion
B Unqualified opinion
C Adverse opinion
D Disclaimer of opinion
E Except for opinion

2. For each of the items (i) – (v), match the descriptions of accounting principles in **Column A** with their corresponding names in **Column B** by writing the letter of the correct response beside the item number in the answer booklet provided.

Column A		Column B	
(i)	Stresses that the personal affairs of business owners should not be entered into the business accounting records.	A	Historical cost
(ii)	Requires that goods bought by the business should be recorded in the books of accounts at their actual purchase price.	B	Duality
(iii)	Requires that goods or items purchased or sold should be expressed in the accounting records in monetary terms.	C	Money measurement
(iv)	Demands that any business transaction should be recorded in the books of accounts of both the seller and the buyer.	D	Separate entity
(v)	Assumes that the business will continue its operations for a foreseeable future; hence, becoming the basis for classification of business assets and liabilities as current and non-current.	E	Going concern
		F	Matching
		G	Accounting period

SECTION B (40 Marks)

Answer **all** questions in this section.

3. Briefly explain each of the following Government Accounting terminologies:
   (a) Exchequer issues
   (b) Accounting officer
   (c) Consolidated fund
   (d) Civil contingencies fund
   (e) Special fund

4. The following information has been extracted from the books of Nganyaga Manufacturing Firm for the year ending 31st December, 2022.

Details	TZS
Inventory 1.1.2022:	
Finished goods	400,000
Raw materials:	
Inventory 31.12.2022:	350,000
Finished goods	240,000
Raw materials	20,000,000
Sales	1,000,000

Purchase of raw materials	2,010,000
Wages (direct)	430,000
Royalties	200,000
Factory power	2,200,000
Gross profit	600,000

Use the information provided to compute the following:

(i) Cost of raw materials used
(ii) Prime cost
(iii) The value of the goods manufactured at cost price
(iv) The percentage of gross profit on sales

5. The Book Keeper of Kibonge Enterprises extracted a trial balance for the business at 31st December 2022, which revealed that the total debits exceeded the total credits by TZS 40,000. The books were then investigated and the following accounting errors were noted:

(a) Sales return day book had been overcast by TZS 340,000.
(b) Discounts allowed TZS 450,000 had been credited to discounts received.
(c) No entry had been made in the books for a cash withdrawal of TZS 500,000 for own use.
(d) TZS 300,000 received from a debtor had been debited to his account.
(e) TZS 120,000 paid for a motor repairs had been included in Motor van account
(f) Purchases of TZS 200,000 had been debited in the sales account.
(g) Cash from bank of TZS 818,000 had been recorded in the books as TZS 881,000

Using the information provided, prepare the journal entries and the Suspense Account to correct the accounting errors. (The narrations for the journal entries are not required).

6. The bank balance of Vijana SACCOS as at 31st December 2022 as per the bank statement was TZS 19,980,000. The comparison between bank statement and cash book revealed the following:

(a) The transactions in (i) – (iv) had been recorded in the bank statement only:
  (i) Bank charges TZS 19,600
  (ii) Ledger fees TZS 140,000
  (iii) Dividend directly received from Mkoa Fund TZS 9,400,000
  (iv) Dishonoured cheque from debtors TZS 6,000,000
(b) Mamito (creditor)'s cheque dishonoured TZS 1,400,000
(c) The cheques in (i) and (ii) had not been cleared by the bank:
  (i) Cheque No. TA 123 of 14 June 2022 for TZS 2,600,000 to supplier Mangwana Ltd. This cheque became stale on 14.12.2022 and is written back.
  (ii) Cheque No. TA 230 of 27.12.2022 for TZS 6,000,000 to supplier Magoma Ltd.

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Using the information provided, prepare a Bank Reconciliation Statement starting with the balance as per bank statement and prepare a corrected cash book as at 31st December 2022.

SECTION C (45 Marks)

Answer **all** questions in this section.

7. Sheikh Jumbe runs his business in two departments X and Y. The following information is available from the two departments for the year ending 31st March 2023:

Departmental Information:

Details	Dept. X (TZS)	Dept. Y (TZS)
Stock on 1st April 2022	1,120,000	1,213,000
Purchases	7,120,000	7,020,000
Sales	9,821,000	9,733,000
Stock on 31st March 2023	1,234,000	1,621,000
Floor area occupied in square meters	50	70

Additional information for the year to 31st March 2023:

Total discount allowed – in the proportion of sales	1,000,000
Furniture at cost	11,400,000
Rent and rates	852,000
Debtors	6,500,000
Advertising incurred by Department X	310,000
Creditors	12,000,000
Premises at cost	20,000,000
Depreciation of furniture shared equally	114,000
Depreciation of premises incurred by Department Y	200,000
Cost of sales for Department X (goods sold by Department Y)	260,000
Manager's commission on gross profit	5%

Use the information provided to prepare Sheikh Jumbe's departmental Income Statement in columnar form for the year ending 31st March, 2023.

8. Mambo Co. Ltd. of Dodoma Tanzania consigned 200 bales of cotton to Mwatex Mills Ltd of Nairobi Kenya at a cost of TZS 500,000 per bale. In transporting the goods, the consignor incurred the following:

(i) Freight TZS 50,000 per bale
(ii) Insurance TZS 5,000 per bale
(iii) Road development levy 1% of original cost of goods sent
(iv) Export duty 2% of original cost of goods sent

The consignee received the whole consignment in good condition and incurred the following expenses:

(i) Landing duties TZS 1,500,000
(ii) Offloading TZS 600,000
(iii) Storage costs TZS 1,200,000

(iv) Selling and distribution costs TZS 4,000,000

The consignee managed to sale $^{3}/_{4}$ of the consignment sent for TZS 900,000 per bale and deducted 5% commission and 2% Del credere commission. The settlement of the amount due to the consignor was made by cheque.

Use the information provided to prepare the Account Sales that the consignee will send to the consignor, Goods sent on consignment and Consignment Accounts in the books of the consignor.

9. Mr. Kazungu is a sole trader in the city of Mwanza keeping records under single entry system. His records for the year ended 31st December 2022 show that, all of the receipts were banked except TZS 870,000. Out of this he paid TZS 563,000 for wages, TZS 247,000 for purchase of goods, and TZS 60,000 for personal drawings. The summary of his bank account was as follows:

Details	TZS	Details	TZS
01.01.2022 Balance b/d	205,000	Payment to creditors	3,368,000
Receipts from debtors	4,559,500	Rent	197,500
31.12.2022 Balance c/d	315,000	Insurance	73,500
		Sundry expenses	30,500
		Drawings	1,410,000
	5,079,500		**5,079,500**

Kazungu wishes to convert his single entry records into double entry system to be able to present the financial statements as required by the Accounting Board. Also, he managed to supply the following additional information:

	31.12.2021	31.12.2022
Stock	540,000	610,000
Creditors	635,000	705,000
Debtors	1,060,000	990,000
Prepaid insurance	21,000	22,000
Rent owing	19,500	-
Furniture at valuation	90,000	80,000

Using the information provided, assist Mr. Kazungu to prepare the income statement for the year ended 31st December 2022 and the Statement of Financial Position as on that date.