

PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
GAIRO DISTRICT COUNCIL
INTERSCHOOL FORM TWO ASSESSMENT
BOOK-KEEPING

062

23RD MAY 2023

TIME 02:30 HRS

INSTRUCTIONS

- This consist of section A, B and C with a total of nine (9) questions
- Answer all questions in all sections A, B and C.
- All writing should be in blue or black ink except for drawing be in pencil

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 box provided:
- i. Which of the following best describes Non-current assets?

A. Expensive items bought for the business	<input type="text"/>
B. Items having long life and not bought for resale	
C. Items which will not wear out quickly	
D. Items bought to be used by the business	
 - ii. How is TZS 500,000 cash taken from the business and banked entered in a cash book?

A. Debit cash column TZS 500,000: Credit bank column TZS 500,000	<input type="text"/>
B. Debit Drawings TZS 500,000: Credit cash column TZS 500,000	
C. Debit bank column TZS 500,000: Credit cash column TZS 500,000	
D. Debit cash column TZS 500,000: Credit cash column TZS 500,000	
 - iii. Rachel and Evance were arguing on the primary and basic reason of preparing a trial balance. As form two student taking business studies, choose for them the basic reason for writing up a trial balance among the following reasons:

A. A trial balance issued for internal control as back up document	<input type="text"/>
B. A trial balance is used as a tool for preparing financial statements	
C. A trial balance is used to present a list of balances at one place.	
D. A trial balance is used to check arithmetical accuracy of double entry.	
 - iv. Khadija, a petty cashier received TZS 100,000 cash float on 1st March, 2023; he spent TZS 65,000 for Transport expenses and TZS 8,000 for telephone charges during the month. How much would be reimbursed to her during the month?

A. TZS 65,000	MsomiBora.com	C. TZS 73,000	<input type="text"/>
B. TZS 25,000		D. TZS 100,000	
 - v. Government expenditures on items from which the government attains no value are called.

A. Development expenditure.	C. Capital expenditure.
B. Recurrent expenditure.	D. Nugatory expenditure
 - vi. A cheque paid by a customer but not yet passed through the banking system is called:

- A. Unpresented cheque. C. Dishonored cheque.
 B. Stale cheque. D. Uncredited cheque
- vii. If the assets of the business amounted to TZS 85,000/= and Owner's capital is TZS 60,000/= How much is the liabilities of the business?
 A. TZS 45,000/= C. TZS 25,000/=
 B. TZS 145,000/= D. TZS 85,000/=
- viii. A subsidiary book that records transactions that owing to their nature are inadmissible to any other book of prime entry is
 A. General journal. C. Sales journal.
 B. Sales day book. D. Purchases day book
- ix. Gailynn and Albert were arguing on the primary and basic objectives of recording and keeping accurate financial information of daily business transactions of a business. Which one of the following is the objective of book-keeping in a business?
 A. Bridge the gap between buyer and seller
 B. Fair tax assessment.
 C. Paying tax to the government
 D. Creation of employment
- x. Samwel bought a machine by cheque TZS 18,000,000. What would be the effect of this transaction in the accounting records?
 A. Asset of Bank will increase, Asset of machine will decrease
 B. Asset of Bank will decrease, Asset of machine will increase
 C. Asset of Cash will increase, Asset of machine will decrease
 D. Asset of Cash will decrease, Asset of machine will increase

2. Match the items in **Column A** with the responses in **Column B** by writing the letter of the correct responses below the corresponding item number in the table provided

Column A	Column B
(i) A monthly or quarterly summary which the bank sends to its customers.	(i) Bank overdraft
(ii) A statement prepared to reconcile cash book balance and bank statement balance.	(ii) Bank charges
(iii) The actions by which petty cashier is refunded the amount spent in the given period	(iii) Errors
(iv) The amount of money which the bank customer can draw out of the bank in excess of his/her bank balance	(iv) Cheque
(v) Accounting mistakes in recording and posting some transactions and entries in the books of accounts	(v) Bank statement
	(vi) Standing order
	(vii) Bank reconciliation statement
	(viii) Imprest system
	(ix) Dishonoured cheque
	(x) Reimbursement
	(xi) Income statement

	(xii) Unpresented cheque
--	--------------------------

Column A	i	ii	iii	iv	v
Column B					

SECTION B (40 Marks)

Answer **all** questions in this section.

- 3.** Accounting records provide information to various interested parties (users) and serve very useful purposes in the business. Identify and explain five (5) users of accounting information.
- 4.** Briefly describe the meaning of the following terms:
- (a) Income statement
 - (b) Drawings
 - (c) Discount allowed
 - (d) Government Accounting
 - (e) Bank reconciliation

SECTION B (40 Marks)Answer **all** questions in this section.

5. Accounting records provide information to various interested parties (users) and serve very useful purposes in the business. Identify and explain five (5) users of accounting information.
6. Briefly describe the meaning of the following terms:
- Income statement
 - Drawings
 - Discount allowed
 - Government Accounting
 - Bank reconciliation
7. **Mtumzima** made the following credit purchases during the month of March 2023.
- March 11: Bought from Franklin Shop:
 4 cartons of mango juice TZS 5,000/= each
 6 cartons of apple juice TZS 4,000/= each
 5 cartons of guava juice TZS 6,000/= each
- March 22: Bought from Brian traders:
 10 pairs of socks TZS 3,000/= each
 5 bales of vitenge TZS 10,000/= each
- March 27: Bought from Salome Shop:
 6 bags of wheat flour TZS 30,000/= each.
 4 buckets of cooking oil TZS 20,000/= each

Required:Prepare the **Purchases journal** to record above transactions for a month.

8. For each of the items (i) – (x), compute the missing amounts and write them in the spaces provided.

	Assets	Liabilities	Capital
	TZS	TZS	TZS
(i)	1,700,000	_____	850,000
(ii)	_____	780,000	240,700
(iii)	2,310,000	650,000	_____
(iv)	_____	430,000	1,380,000
(v)	200,500	_____	176,200
	Cost of sales	Gross profit	Sales
	TZS	TZS	TZS
(vi)	206,000	140,000	_____
(vii)	_____	408,000	920,000
(viii)	115,000	_____	130,000
(ix)	1,056,000	240,000	_____
(x)	_____	450,000	950,000

SECTION C (45 Marks)Answer **all** questions in this section.

9. The following are extracts from the cash book and the bank statement of Mtumwema Stationery. You are required to;
- Write up the cash book up to date.
 - Draw up a bank reconciliation statement as on 31st December, 2022 (starting with balance as per adjusted cash book)

DR				CASH BOOK				CR			
Date	Details	Folio	Amount	Date	Details	Folio	Amount				
<u>2022</u>				<u>2022</u>							
01/12	Balance	b/d	174,000	08/12	A. Dylan		34,900				
07/12	T.J. Master		8,800	15/12	R. Mason		3,300				
22/12	J. Ellis		7,300	28/12	G. Small		11,500				
31/12	K. Wood		24,900	31/12	Balance	c/d	183,100				
31/12	M. Barret		17,800								
			<u>232,800</u>				<u>232,800</u>				
1/1/2021	Balance	b/d	183,100								

BANK STATEMENT

Date	Details	Dr	Cr	Balance
2022				
01/12	Balance b/d			174,000
07/12	Cheque		8,800	182,800
11/12	Dylan	34,900		147,900
20/12	R. Mason	3,300		144,600
22/12	Cheque		7,300	151,900
31/12	Credit transfer		5,400	157,300
31/12	Bank charges	2,200		155,100

10. From the following list of balances extracted from the books of Mtumwema Company for the month of January 2023, prepare its Trial Balance as at 31st January 2023.

Details	TZS
Sales	4,000,000
Bank overdraft	100,000
Purchases	1,840,000
Insurance of buildings	100,000
Capital	3,000,000
Cash at bank	150,000
Interest received	20,000
Carriage inwards	80,000
Loan from NBC	2,000,000
Purchases returns	200,000
Accounts payable	700,000
Office furniture	1,000,000
Office building	2,000,000
General expenses	50,000
Motor vehicle	2,000,000
Salaries	300,000
Accounts receivable	1,000,000
Cash in hand	200,000
Warehouse building	800,000
Inventory at 1 st January, 2023	500,000

- 11.** On 1st July 2022, JOSHUA began a business with TZS 560,000 in cash, and TZS 400,000 at bank. You are required to prepare a three column cash book to record the transactions given:

2022	TZS
July 3. Bought fittings for shop and paid by cheque.....	29,700
8. Bought goods by cheque.....	32,000
15. Cash sales, paid into Bank.....	54,900
16. Sold to goods by cash.....	34,800
18. Paid Bertha by cheque, less 5% discount.....	23,000
22. Bought Machinery by cheque.....	39,600
23. Received cash from Dorice, less 3% discount.....	92,000
25. Paid rent by cash.....	2,400
30. Withdrew cash from bank for business use	2,400
