

MURANG'A UNIVERSITY COLLEGE (MRUC)
A Constituent College of Jomo Kenyatta University (JKUAT)

HBC 2101:- INTRODUCTION TO ACCOUNTING
MARKING SCHEME
SUPPLEMENTARY PAPER

1. Define:

- a. Accounting: Is the art of recording, summarizing classifying transactions of a financial nature and interpreting the results thereof.
- b. Double Entry: For every debit entry there must be a corresponding credit entry.
- c. Ledger A/C: Chronological records of transactions.
- d. Discount Allowed: Amount the buyer is allowed not to pay to encourage prompt payment /buying in bulk.
- e. Transaction: Exchange of goods & services for a payment.

(b) DR. cash A/C	90,000		DR Bank A/c	110000
CR Capital A/c	90,000		CR cap A/c	110000
DR furniture	80,000		DR Salaries A/c	5000
CR Cash A/c	80,000		CR Bank A/c	5000
DR Cash A/c	30,000		DR Creditors A/c	10,000
CR Debtors A/c	30,000		CR Bank A/c	10,000
DR Purchases A/c	50,000		DR debtors (sara)	20,000
CR Creditors A/c	50,000		CR sales A/C	20,000
DR Bank A/C	300,000		DR M.U.	200,000
CR Creditors A/C	30,000		CR Bank	200,000
DR Purchases A/C	3,000			
CR Cash A/C	3,000			

Cap 90,000	Furn. 80,000
Debtor <u>30,000</u>	Pur. 3,000
120,000	c/d <u>10,000</u>
10,000	<u>120,000</u>

c/d 200,000	Cash 90,000
<u>200,000</u>	Bk <u>110,000</u>
	<u>200,000</u>
	<u>200,000</u>

Cap 110,000	Salaries 5,000
Cred. 300,000	Creditor 10,000
	MV 200,000
	c/d <u>195,000</u>
<u>410,000</u>	<u>410,000</u>

Scholar 20000	Cash 30000
c/d <u>10000</u>	
30000	<u>30000</u>

Creditors 50000	c/d 53000
Cash <u>3000</u>	
<u>53000</u>	<u>53000</u>

Bk 10000	Purchases 50000
c/d 340,000	Bk <u>300,000</u>
<u>350,000</u>	

53,000

340000

Cash 80,000	
-------------	--

Bk 200,000	
------------	--

Bank 5,000	
------------	--

Scolar 20,000	
---------------	--

Cash	10,000	
Capital		200,000
Bank	195,000	
Purchases	53,000	
Debtors		10,000
Creditors		340,000
Furniture	80,000	
Salaries	5,000	
Sales		20,000
M.U	200,000	
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Section B

Trading P & L A/C	
3. Op. Stock 21000	Sales 56000
Add pur <u>20500</u>	Ret in <u>500</u>
Au. for sale 41500	55500
Less C.sto 10000	
Cost of sale 31500	
G/p <u>24000</u>	<u>55500</u>
55,500	
<u>Less Exp.</u>	G/P 24000
Salaries 4000	Rent rec. 1200
W & Elect 600	25200
Postage 200	
Off. Rent <u>1700</u>	
6500	
<u>18700</u>	
25,200	<u>25200</u>

Balance Sheet	
MV 35000	Capital 15400
Furniture 7500	Add N/p 18700
Debtors 8000	34100
Stock 10000	Less Draw 900
Bank 11000	33200
Cash <u>2900</u>	Loan 30000
74200	Creditors <u>10000</u>
	74200

3 c c Book

Date	Details	Cash	Bank	D/S Allowed	Date	Details	Cash	Bank	D/S Received
1 st	B/F	2500	7400		2 nd	Purchase		2000	
3 rd	C. sales	1800			4 th	Bank	2000		
4 th	Cash(c)		2000		5 th	J.M		1450	45
6 th	Show		3800	200		Hamman		2910	90
	Ben		2850	150		Jack		1358	42
	Mary		3040	160	10 th	Furniture		3000	
	Bank	500				Cash		500	
23 rd	Simon	1440		60	20 th	Andrew	768		32
					30 th	Wages	1000		
					B/c/d		<u>1972</u>	<u>7772</u>	
		<u>5740</u>	<u>19090</u>	<u>7570</u>			<u>5740</u>		<u>209</u>

20 marks