



MURANG'A UNIVERSITY COLLEGE
(A Constituent college of Jomo Kenyatta University of Agriculture and Technology)
SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT: COMMERCE
COURSE: DIPLOMA IN COOPERATIVE MANAGEMENT
BS/CM/014D
EXAMINATION: END OF STAGE SUPPLEMENTARY
UNIT NAME: FINANCIAL ACCOUNTING
UNIT CODE: BS 1106
MAIN CAMPUS

TIME: 2 HOURS

DATE:

INSTRUCTIONS

ANSWER *ALL* QUESTIONS.

Q1. The following statement of financial position Selo traders was prepared by an inexperienced book keeper as at 31st October 2013

Balance Sheet

sh			
Lon from bank	100,000	Liabilities	sh
Motor vehicle	170,000	capital	325,000
Bank	13,000	Fixtures & fittings	110,000
Accounts payable	77 000	Accounts receivable	67 000
Inventories	<u>142,000</u>		<u> </u>
	<u>502 000</u>		<u>502 000b)</u>

(b) Prepare the corrected financial position as at 31 December 2013

(b) Explain *FIVE* accounting concepts.

Q2 The following balances were extracted from the books of Beta Traders as at 31 Dec 2012

	sh
sales	920,000
Insurance	28,800
Transport in	5,100
Purchases	482,100
Carriage out	19,300
Salaries	347,000
Returns in	13,000
Bad Debts	10,600
Debtors	330,000
Office equipment	200,000
Electricity	24,000
Stock Jan 2012	98,400
Discount received	16,200
Returns I	13,400
Rent received	24,000
Stock 31 Dec. 1012	225,000

Extra information

- (i) Create provision for doubtful debts at 5% of debtors as at 31 dec. 2012
- (ii) Prepaid insurance sh 600
- (iii) Rent received for 2013 Ksh 2500
- (iv) Accrued electricity sh 5700
- (v) Depreciate office furniture at 20% p.a

Required

Trading, profit and loss accounts and a balance sheet as at 31 December 2012.

(20 marks)

Q3. The following information was extracted from Sakata books a Small scale Trader.

	sh
Jan 1 started business with cash	210,000
“ 2 Put cash into the bank	180,000
“ 3 Bought goods for cash	11,000
“ 4 bought goods from Ksha	16,000
Duma	18,600
Smith	3,200
Cerd the Leno	10,200
“ 5 Bought stationery on credit from Luta	1,780
“ 6 Sold goods on credit from Too sh.3400. Fisa sh Ksh.4800 Ngisi Ksh 6520, Tom Ksh 4080	
“ 8 Paid rent by cheque Ksh.4400	
“ 10 Bought fixture in credit from chaka Ltd Ksh 12 2000	
“ 14 Returned goods to Duma sh 600	
“ 17 Goods returned to us by Ngisi sh 400	
“ 18 Cash sales sh 2900	
“ 23 Paid duma by cheque Ksh 18000	
“ 27 Received a oan from Mila Ksh 10,000	
“ 30 Received a cheque from Ngisi Ksh5000	

Required

Prepare ledger accounts.

[20 marks]

Q5 Explain *FIVE* uses of the journal