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TEVETA
Technical Education, Vocational and Entrepreneurship Training Authority

ADVANCED CERTIFICATE IN COMPUTER STUDIES

LEVEL 5 EXAMINATIONS

FINAL INTEGRATED SUMMATIVE EXAMINATIONS

SITTING: NOVEMBER/DECEMBER 2023

SUBJECT: ACCOUNTING

TIME: THREE (3) HOURS **TOTAL MARKS: 100**

PASS MARK: 50

INSTRUCTIONS TO CANDIDATES:

1. Write your examination number and National Registration Card Number on the Answer Booklet provided. Ensure to append your signature in the space provided on the answer booklet.
2. Write your answer SCRIPT SERIAL NUMBER on the examination register provided and the entry slip.
3. There are TWO (2) sections in this paper: Section A and Section B
4. Section A is compulsory
5. Attempt any four (4) questions in Section B
6. Each question carries twenty (20) marks.
7. Cell phones and programmable calculators are not allowed in the examination room.

DO NOT TURN THIS PAPER UNTIL YOU ARE TOLD TO DO SO

SECTION A

QUESTION 1 **(10 multiple choice questions 2 marks each)**

1. Which one the best describes purchases?
   a) Items bought by the business
   b) Goods bought on cash
   c) Goods bought on credit
   d) Goods bought for resale

2. Which one of the following are current assets?
   a) Land
   b) Machinery
   c) Cash
   d) Office computer.

3. There are three types of business structures namely:
   a) Co-operatives, sole traders and partnerships,
   b) Sole traders, limited companies and partnerships
   c) limited companies , sole traders and co-operatives,
   d) Sole traders, limited companies and joint ventures.

4. Personal accounts of customers are recorded in the .....ledger.
   a) Purchases
   b) General
   c) Journal
   d) Sales

5 .....is anything of use in the future operations of the enterprise and belonging to the enterprise.
   a) A Liability
   b) An Asset ,
   c) An Expense
   d) A Drawing

6. Which one of the following does not need accounting information?
   a) Government
b) Managers
c) Exporters
d) The community

7. Given : Cash K6,000, Debtors K4,000 , cash at bank K20,000,Creditors K10,000, Bank loan payable K2, 000, calculate capital.
a) K18 000
b) K 20 000
c) K17 000
d) None of the above

8. Rent outstanding as at the year-end is shown in the balance sheet as a.....
   a) Fixed asset
   b) Current liability
   c) Current asset
   d) Long - term liability

9. A firm bought a machine for K3200. It is depreciated at the rate of 25% using reducing balance method .The net book value after 2 years on the machine would be .....
a) K1800
b) K2400
c) K3200
d) K1600

10. The bank can receive monies in regular intervals on behalf of its clients. Such a request is known as:
a) Bill of exchange
b) Cheque
c) Standing order
d) Credit transfer

SECTION B: ANSWER ANY FOUR (4) QUESTIONS

QUESTION 2

A company makes a single product with a sales price of K10 and marginal cost of K6. Fixed costs are K60, 000 per year.

Calculate:

a) Contribution per unit (2 marks)

b) Number of units to break even (3 marks)

c) Sales at break- even points (3 marks)

d) Number of units needed to be sold in order to achieve a profit of K20,000 per year (4 marks)

e) Level of sales that will achieve a profit of K20,000 per year (4 marks)

f) Margin of safety if current production is 25,000 units (4 marks)

Total (20 marks)

QUESTION 3

a) Define a trial balance (2 marks)

b) Explain the reason for the business firm to prepare a trial balance. (4 marks)

c) Begani Nyirenda, an Entrepreneur approaches you an expert to check on the Trial Balance which was prepared by his worker who has no knowledge of the Book Keeping. Upon checking you discover that the trial balance below has a lot of errors which need to be corrected:

Begani Nyirenda's trial balance as at 28th February 2021

	Dr K	Cr K
Capital	19,956	
Sales		119,439
Stationery	1,200	

General expenses	2,745	
Motor expenses		4,476
Cash at bank	1,950	
Stock, 1st February 2021	7,668	
Wages and Salaries		9,492
Rent and rates	10,500	
Office equipment	6,000	
Purchases	81,753	
Heating and Lighting		2,208
Rent Received	2,139	
Debtors	10,353	
Creditors		10,230
Drawings		4,200
Motor Vehicle	7,500	
Discounts Received	1,725	
Insurance		3,444
	153,489	**153,489**

Required:

Re-draft the Trial balance after making necessary corrections. (14 marks)

Total (20 marks)

QUESTION 4

Paul Mtonga gave you the following transactions for the month of March 2023.

March 1 Balances brought forward:

- Cash in hand K35,600.00
- Cash at bank K45,800.00

March 3 Bought goods paying by cheque K4, 550.00

March 5 Paid K1, 560 cash for rent

March 7 Bought goods on credit from B. Soko K5, 700.00

March 12 Cash Sales paid directly into the bank for business use

March 15 Withdrew K5, 500.00 cash from the bank for business use

March 18 Withdrew K1, 100.00 cash from the bank for personal use

March 20 Paid B.Soko K3, 650.00 by cash

March 22 Sold goods by cheque K2950.00

March 24 Deposited K4770.00 cash into the bank

March 25 Paid K1320.00 cash for insurance

March 30 Paul Mtonga put into business K4800.00 cash

Required:

Prepare Paul Mtonga's two-column cash book. **(20 marks)**

QUESTION 5

Explain the following accounting concepts

a) Going concern concept (4 marks)

b) Business entity Concept (4 marks)

c) Accrual concept (4 marks)

d) Historical cost concept (4 marks)

e) Realization concept (4 marks)

QUESTION 6 **Total (20 marks)**

The following information relates to Maryland Auto Limited:

Date 2022	Details	Units	Unit Price (K)	Values (K)
1 Jan	Balance b/f	100	50	5,000
9 Jan	Sales	40		
15 Jan	Purchases	50	55	2,750
20 Jan	Purchases	50	60	3000
29 Jan	Sales	70		

You are required to value the stock:

a) Using the FIFO method. (10 marks)

b) Using the LIFO method. (10 marks)

Total (20 marks)

QUESTION 7

a) Define Subsidiary books. (2 marks)

b) Complete the following table identifying the source document and subsidiary book for each transaction:

Transaction	Source Document	Subsidiary Book
Introduction capital, K20,000.00 , into the bank		
Withdraw K5,000.00 cash from the bank for personal use		
Bought K1,500.00 paint for resale on credit		
Cash sales of K4,000		
Bought goods for resale K800.00 from Gold Ltd		
Paid K700.00 cash into the bank		
Sold goods on credit to Philip Tembo for K3,000.00		
Received a cheque for K6,000.00 from Mrs. Chola		
Received a credit note for damaged goods Returned to Gold Ltd K200.00		

(18 mark)

Total (20 Marks)