THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE

REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

DAR ES SALAAM REGION

FORM SIX MOCK EXAMINATION

ACCOUNTANCY 2

Code: 153/2

Time: 3:00 Hours Wednesday 5th February, 2025 P.M.

INSTRUCTIONS

1. This paper consists of sections **A** and **B** with a total of **eight (8)** questions.
2. Answer **all** questions in section **A** and **three (3)** questions from section **B.**
3. Each question in section **A** carries **ten (10)** marks and in section B **twenty (20)** marks.
4. Workings must be shown clearly and submitted.
5. Non programmable calculators may be used.
6. Cellular phones and any unauthorized materials are **not** allowed in the examination room.
7. Write your **Examination Number** on every page of your answer booklet(s).

This paper consists of 4 printed pages

SECTION A (40 Marks)

Answer **all** questions from this section

1. Explain in brief the following computerized accounting terms
   (a) Computerized accounting
   (b) Software
   (c) Computer
   (d) Hard ware
   (e) Information

2. A company makes single product which has selling price of TZS 10 each and marginal cost of TZS 6 per unit with a fixed cost of TZS 60,000 per annual
   Using this information calculate the following;
   (a) Number of units to break even .
   (b) Sales in revenue at the break even point
   (c) Contribution margin (c/s) ratio
   (d) Number of units to be sold to achieve a profit of TZS 20,000
   (e) What level of sales will be made to achieved a profit of TZS 20,000 per annum?

3. Michungwani beverage Limited buys a container for TZS 200 which is charged out to customers at TZS 250 allowing TZS 150 on its return. The containers are valued at TZS 100 at stock taking. On 1st January, 2021 the stock of containers in warehouse was 8,000 and 16,000 containers were in the hands of costumers.
   During the year to 31st December, 2021, 12,000 containers were purchased, 26,000 containers were sent to customers and 19,000 containers were returned by customers. 200 containers were destroyed and 100 containers were sold as scrapers for TZS 400. At the end of the financial year on 31st December, 2021, 14,000 containers were in the hands of customers their return period had not expired.
   Use the information provided to prepare the Container Stock Account for the year ended 31st December, 2021 by using profit or loss method.

4. Ikemo had insured his stock for TZS 84,000. His store caught fire on May 10th 2019 and most of his stock and accounting records were destroyed. After some investigation the following information obtained;

	TZS
Stock at 31st December 2018	124,000
Debtors at 31st December 2018	92,000
Creditors at 31st December 2018	97,000
Receipt from debtors January to 10th May	114,000
Discount allowed	2,000
Payment to creditors	102,400
Discount received	3,600
Stock drawn for personal use (at cost)	6,800
Stock salvaged from fire	18,000
Gross profit Margin is 25% on selling price	
Debtors at 10th May 2019	130,000
Creditors at 10th May 2019	98,000

Showing all your workings,

(a) Prepare a statement showing the cost of stock destroyed by fire.
(b) Compute the amount to be claimed to insurance company.

4605,400

SECTION B (60 Marks)

Answer only **three (3)** questions from this section.

5. Vodacom PLC. Issued a prospectus offering 200,000 shares of TZS 10 each on the following terms:
On application TZS 1per share
On allotment TZS 3 per share
On first call (three months after allotment) TZS 4 per share
On second call (three months after first call) TZS 4 per share
Subscriptions were received for 317,000 shares on 23rd April,2022 and allotment made on 30th April,2022 was as under:Shares allotted

8900

(i)	Allotment in full (two applicants paid in full on allotment in respect of 4,000 shares each)	38,000
(ii)	Allotments of 2/3 of shares applied for	160,000
(iii)	Allotments of ¼ of shares applied for	2,000

Cash amounting to TZS 31,000 (being application moneys received with applications for 31,000 shares upon which no allotment was made) was returned to applicants forthwith. The amounts due were received on due dates except with the final call on 100 shares. These shares were forfeited on 15th November,2022 and reissued to Mawazo on 16thNovember,2022 with a payment of TZS 9 per share. Assume the company's articles of association allows an interest of 12% p.a on any cash paid in advance in respect of shares allotted to the applicant.

Required, pass the necessary journal entries (without narratives) to record the above matters and show how the transactions would appear in the company's statement of financial position. Assume that interest on calls in advance was paid by the company on 31st November,2022 in cash.

6. The following is the balance sheet of A, B and C who share profits and losses equally on 30th June 2024

Capital	A- 2,000,000 B- 3,000,000 C- 1,000,000	Goodwill Premises Plant and Machinery Motor van	1,500,000 1,800,000 1,400,000 470,000
Bank loan	1,500,000	Stock	1,700,000
Creditors	1,200,000	Investment	1,130,000
Bank overdraft	300,000	Debtors	1,000,000
	9,000,000		9,000,000

C become insolvent and is able to contribute only TZS 450,000 towards his deficiency which is born according to Gunner and Murray rule.
On dissolution of the partnership the following steps were taken

a) Premises were sold for TZS 800,000 plant and machinery for TZS 600,000 and stock for TZS 810,000.
b) Investments were taken over by B at an agree value of TZS 800,000.
c) Bank loan was paid together with 10% accrued interest, while 10% discount was received on settling creditors.
d) One of the motor vans was taken over by A at an agreed value of TZS 100,000 and the remaining were sold for TZS 130,000.
e) Dissolution expenses amounting to TZS 60,000 were paid by B

1800 000

You are required to prepare;
(i) Realization account
(ii) Cash at bank account
(iii) Capital account

7. Mlimani City sold a computer set to ABC Ltd on 1st July 2020 under Hire Purchase system on the following terms

	TZS
Hire purchase price	400,000
Cash price	352, 000
Down payment	80,000

16 Monthly installments were payable on the last day of every month. ABC Ltd failed to pay the installment due on 31st May 2021 and informed Mlimani City that he is unable to proceed with the contract.
Mlimani City subsequently obtained a court order and repossessed a computer set which valued at TZS 130,000.
Your are required to show the entries in the books of vender on the assumption that the company's financial year ends on 31st December each year

8. Kupata Kukosa Enterprise has the following four employees in his payroll for the month of August 2013; Chuna, Enya, Nyonyoa and Patupu. The following information was available:

	Employee rate of pay/hour	Hours worked in August
Chuna	10,000	200
Enya	8,000	190
Nyonyoa	9,000	210
Patupu	12,000	220

All employees have 10 basic working hours per day in a 20 working days month. All employees have a guaranteed minimum pay based on the basic working hours in a month. Any hours worked in excess of the basic hours in the month is compensated at a rate of 1 ½ times the normal hourly rate. The employees are entitled to the following allowances.
Meal allowance at 10% on basic salary
Transport allowance at 10% on gross salary
Responsibility allowance equal to 20% on basic salary
Only Chuna and Patupu are entitled responsibility allowance
The earnings of the employees are subject to the following deduction: -
NSSF equal to 10% of gross salary
NHIF equal to 5% of basic salary
Salary advances at 25% of gross pay
PAYE: -
Salary above TZS 1,000,000 but not exceeding TZS 1,500,000 10% of the amount in excess of TZS 1,000,000
Salary above TZS 1,500,000 but not exceeding TZS 2,000,000, TZS 50,000 plus 25% of the amount in excess of TZS 1,500,000
Salary above TZS. 2,000,000 but not exceeding TZS 2,500,000, TZS 100,000 plus 50% of the amount in excess of TZS 2,000,000.
Salary above TZS 2,500,000, TZS 50,000 plus 50% of the amount in excess of TZS 2,500,000.
From the information above, prepare the salary slips of the employees for the month of August, 2013.