

**THE UNITED REPUBLIC OF TANZANIA  
THE PRESIDENT'S OFFICE  
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
UKERWE NON-GOVERNMENT SECONDARY SCHOOL ASSOCIATION  
(UNGOSSA)**

**FORM ONE TERMINAL EXAMINATION**

**BOOK KEEPING**

**Time: 2½ Hours**

**May 2024**

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**INSTRUCTIONS**

1. This paper consists of section A, B and C with a total of nine (9) questions.
2. Answer all questions.
3. Section A carries **fifteen (15)** marks, section B **forty (40)** marks and section C carries **forty-five (45)** marks.
4. All answers must be written in the spaces provided.
5. All communication devices, calculators and any unauthorized materials are not allowed in the examination room.
6. Write your assessment number at the top right corner of every page

<b>FOR ASSESSORS' USE ONLY</b>		
<b>QUESTION NUMBER</b>	<b>SCORE</b>	<b>ASSESSORS' INITIALS</b>
<b>1.</b>		
<b>2.</b>		
<b>3.</b>		
<b>4.</b>		
<b>5.</b>		
<b>6.</b>		
<b>7.</b>		
<b>8.</b>		
<b>9.</b>		
<b>TOTAL</b>		

## SECTION A (15 Marks)

Answer **all** questions in this section

1. For each of the item (i) – (x) choose the correct answer from among the given alternatives and write its letter beside the item number in the box provided.
- (i) No entry has been made in the accounting system of the fact that the workforce had a very high morale. This is an example of the application of which one of the following principles?
- A. Accrual principle  
B. Duality principle  
C. Money measurement principle  
D. Prudence principle
- (ii) The owner of the business paid for a child's birthday present from business's bank account. The book keeper correctly recorded the amount in the drawings account in the business's general ledger. This is an example of the application of which one of the following principles?
- A. Business entity  
B. Accrual  
C. Consistency  
D. Going concern
- (iii) The owner considered switching from using the reducing balance method of depreciation to sum of years digits method. The owner has been advised to continue using the straight-line method so that one year's accounts can be compared with another year's accounts on the same basis. This is an example of the application of which one of the following principles?
- A. Business entity  
B. Accrual  
C. Duality  
D. Consistency
- (iv) The owner of the business paid for some building work at his home from his private bank account. This transaction was recorded in the business's books of account. Which accounting principle was wrongly applied?
- A. Accruals  
B. Business entity  
C. Consistency  
D. Materiality
- (v) A payment of wages in cash was recorded twice the books of accounts. This is an example of which principle?
- A. Accrual principle  
B. Double entry principle  
C. Money measurement principle  
D. Business entity principle
- (vi) It is assumed that a business will continue to trade for many years to come. Which accounting principle is based on this assumption?
- A. Business entity  
B. Money measurement  
C. Going concern  
D. Accruals
- (vii) Some furniture bought for business purpose were recorded in the books at their original costs. Which accounting principle were applied in this case?
- A. Money measurement  
B. Business entity  
C. Historical cost  
D. Materiality

- (viii) The bookkeeper had deducted business expenses of a financial year 2023 from business income of the same period in an attempt to determine the profit or loss made by the business for that financial year. This is an example of the application of which one of the following principles?
- A. Matching principle  
 B. Going concern principle  
 C. Accrual principle  
 D. Business entity principle
- (ix) The owner of the business always prepares financial statements and communicate the financial information to the users every end of the year. Which principle is being applied by this business owner?
- A. Business entity principle  
 B. Money measurement principle  
 C. Materiality principle  
 D. Accounting period principle
- (x) When financial statements are prepared it is important to recognize incomes and expenses when incurred or earned rather than when the cash involved are received or paid. Which one of the following accounting principles insists on this case?
- A. Accrual principle  
 B. Money measurement principle  
 C. Materiality principle  
 D. Accounting period principle

Answer box

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

2. For each of the item (i) – (v) match the description of common terms in book keeping in COLUMN A with their corresponding terms in COLUMN B by writing the letter of the correct response beside the item number in the answer table provided.

Column A		Column B
(i)	The concept which separates business affairs from business ownership.	A. Accounting period concept.
(ii)	The concept which assumes that business operations will continue for a long period of time without ceasing.	B. Accrual concept.
(iii)	The concept under which non-current assets are recorded in the books of account at the price paid to acquire the asset.	C. Business entity concept.
(iv)	The concept under which revenue is recognized when it is earned and expenses are recognized when they are incurred.	D. Dual aspects concept.
(v)	The concept which relates expenses incurred during the accounting period with the revenue recognized during the same period.	E. Historical cost concept.
		F. Matching concept.
		G. Going concern concept.

Answer box

(i)	(ii)	(iii)	(iv)	(v)

**SECTION B (40 marks)**

Answer **all** questions in this section

3. Maganga is a businessman who does not have a book keeping knowledge and he can't properly follow the proper accounting process. Help Maganga by briefly describe the first five (5) stages involved in the accounting process.

- (i) .....
- (ii) .....
- (iii) .....
- (iv) .....
- (v) .....

4. As an upcoming book keeping expert, briefly help Mbuguma, a layman businessman, the necessary steps to be followed when balancing off an account.

- (i) .....
- (ii) .....
- (iii) .....

- (iv).....  
.....  
.....
- (v).....  
.....  
.....

5. Study the following table and for each transaction indicate accounts to be debited and credited for each of the following transactions;

TRANSACTION	TO BE DEBITED	TO BE CREDITED
(i) Started business with capital in cash.		
(ii) Bought goods for cash.		
(iii) Cash sales of goods.		
(iv) Paid insurance for cash		
(v) The proprietor took cash for personal use.		

6. Your friend, Marejeo has approached you to clarify some common terminologies as used in book keeping. Help her to briefly define the following terms;

(a) Debit side

- .....
- .....
- .....
- .....
- .....

(b) Folio column

- .....
- .....
- .....
- .....
- .....

(c) Particulars column

- .....
- .....
- .....
- .....
- .....

(d) Credit side

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 .....  
 .....  
 .....  
 .....

(e) Ledger

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 .....  
 .....  
 .....  
 .....

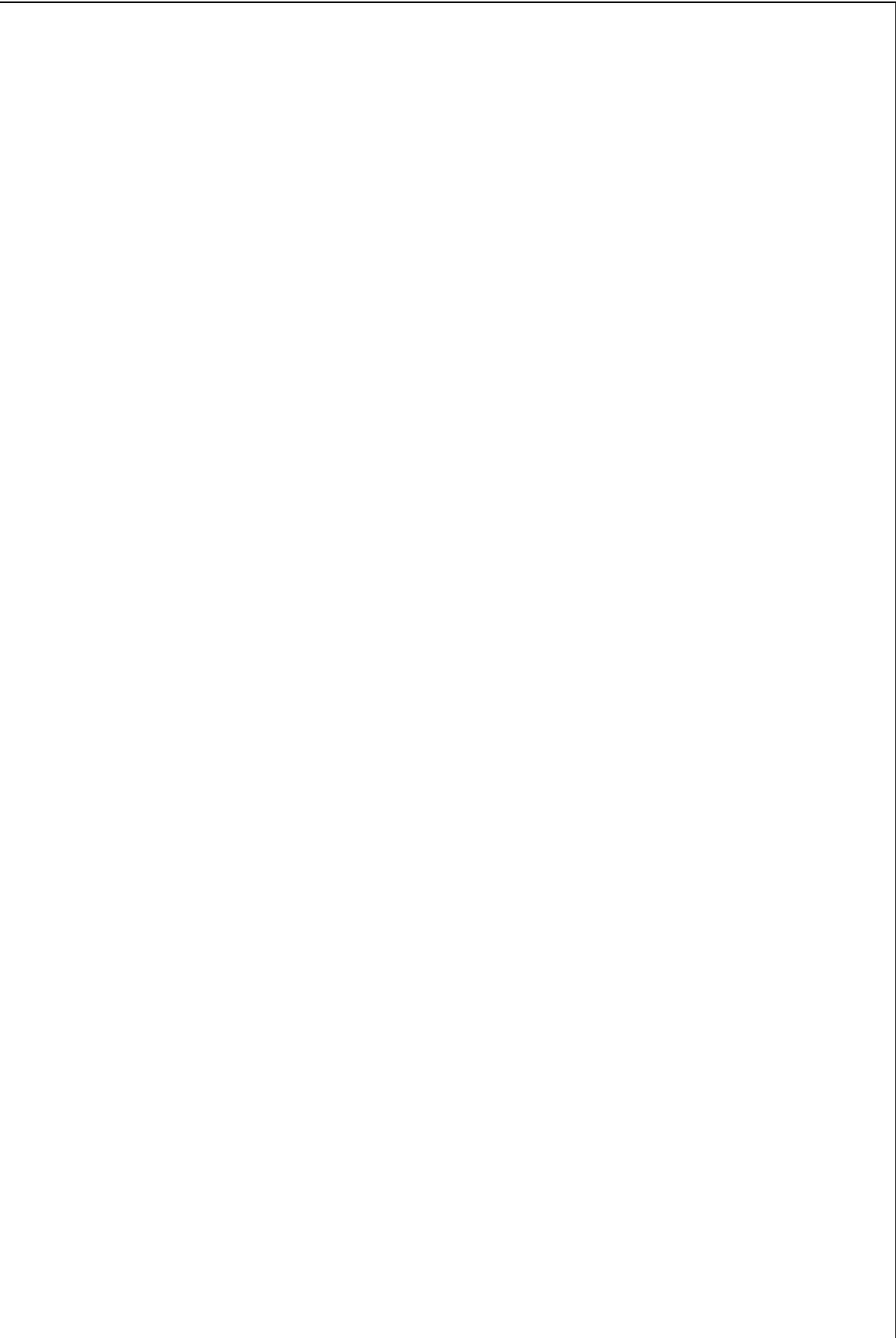
**SECTION C: (45 Marks)**

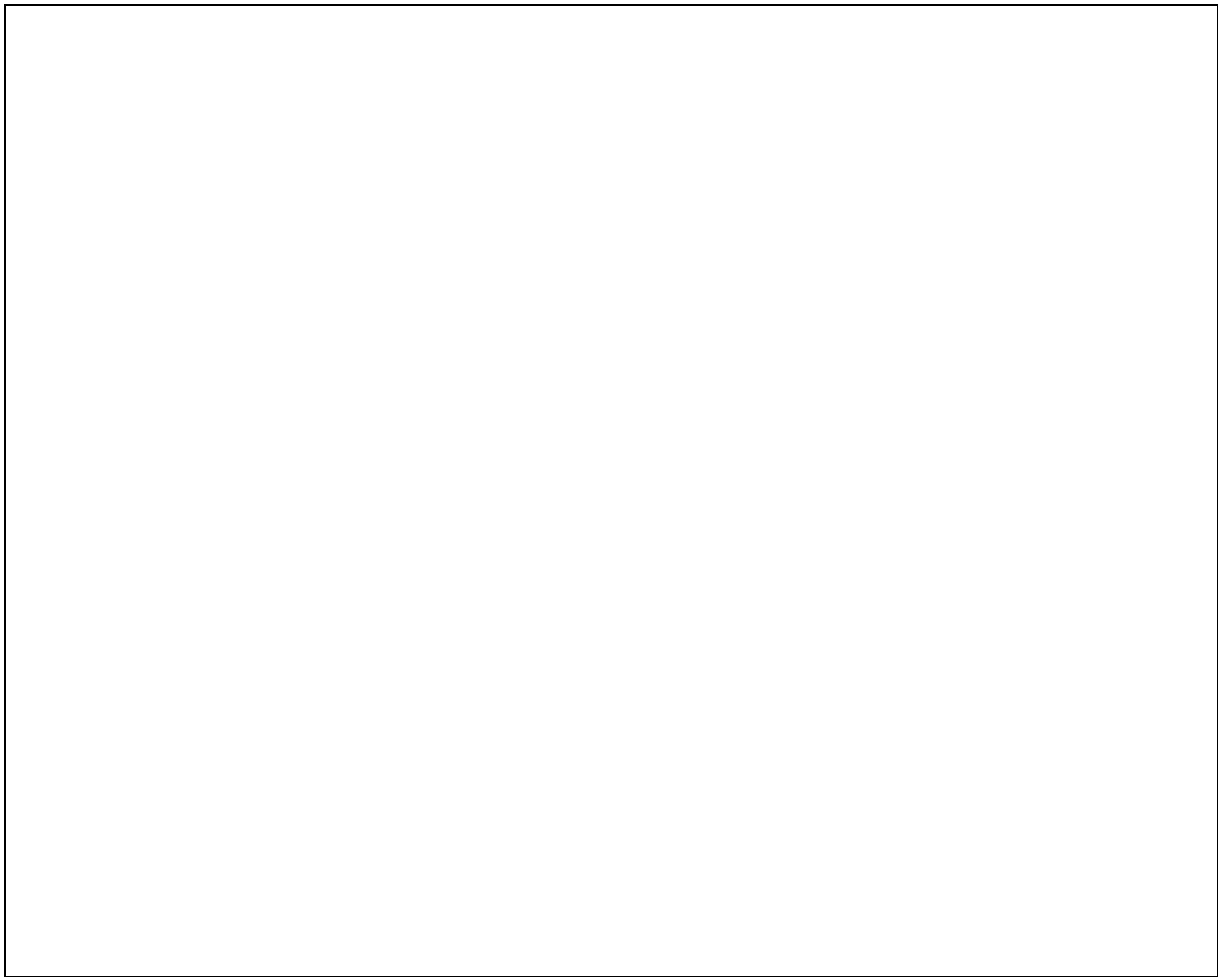
Answer **all** questions in this section

7. From the following trial balance construct the statement of comprehensive income for King Fire for the year ended 31<sup>st</sup> December 2022 and a statement of financial position as at that date;

	DR (TZS)	CR (TZS)
Sales		265,000
Purchases	210,450	
Carriage outwards	1,100	
Premises	100,000	
Equipment	15,900	
Trade receivables	7,520	
Trade payables		6,980
Bank	6,500	
Administration	4,300	
Wages and salaries	15,328	
Rates and insurance	3,432	
Repair costs	2,450	
Capital		120,000
Drawings	16,500	
Delivery van	8,500	
	<b>391,980</b>	<b>391,980</b>

Notes;  
 Inventory as at 31<sup>st</sup> December 2017 was TZS 9,450.





8. As a book keeping student, you have an appointment to meet with your subject teacher and discuss with him about the objectives of book keeping. Briefly describe any five (5) points likely to be described and discussed in your meeting?

(a) .....  
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(b) .....  
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(c) .....  
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 .....  
 .....  
 (d) .....  
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 .....  
 .....  
 .....  
 .....  
 (e) .....  
 .....  
 .....  
 .....  
 .....

9. KUMEKUCHA started a business on 1st January 2022 with capital in cash TZS 8,000,000. During January, he made the following transactions.

2 <sup>nd</sup> January; Bought goods for cash	500,000
4 <sup>th</sup> January; Paid rent for cash	150,000
5 <sup>th</sup> January; Bought goods for cash	450,000
6 <sup>th</sup> January; Bought packing materials for cash	50,000
8 <sup>th</sup> January; Paid transport charges for cash	200,000
10 <sup>th</sup> January; Sold goods for cash	4,800,000
31 <sup>st</sup> January; Paid salaries for cash	1,500,000

Required;  
 Enter the above transactions in the cash account and post them to their respective ledger accounts and balance off the accounts as at 31<sup>st</sup> January 2022.