ACCOUNTANCY 2
MARKING SCHEME

QUESTION 1

02 Marks for definition and 02 Marks @ point = 08 Marks

Definition:
Auditor's working papers are auditing papers that contain essential information relating to the accounting and auditing. It is papers on which information in relation to the audit work should be recorded.

Importance of Auditor's Working Papers:

i) To ensure that the audit staff have done all the work.
ii) Provide future reference for preparation of auditor's opinion.
iii) Provide necessary evidence to safeguard an auditor.
iv) Provides basis for planning the following periodic audit.
v) Enable an auditor to meet the deadline.

QUESTION 2

25 Ticks @ 0.4 = 10 Marks

DR CASES STOCK ACCOUNT CR

DETAILS	QTY	RATE	AMOUNT	DETAILS	QTY	RATE	AMOUNT
Balance b/d: Warehouse	1,380	320	441,600	Scraped (sold)	28		600
Customer	2,395	320	766,400	Cases kept sold	2,270	460	1,044,200
Bank (purchases)	1,550	400	620,000	Hiring profit			618,600
Inspection cost			359,200	Bal c/d: Warehouse	1,572	320	503,040
Repair cost			3,250	Customer	1,455	320	465,600
Profit on container			441,590				
TOTAL	5,325		2,632,040	TOTAL	5,325		2,632,040
Balance b/d: Warehouse	1,572	320	503,040				
Customer	1,455	320	465,600				

DR				CASES SUSPENSE ACCOUNT			CR
DETAILS	**QTY**	**RATE**	**AMOUNT**	**DETAILS**	**QTY**	**RATE**	**AMOUNT**
Cases returned	8,980	460	4,130,800	Balance b/d	2,395	460	1,101,700
Cases kept	2,270	460	1,044,200	Invoice to customer	10,310	520	5,361,200
Hiring profit			618,600				
Balance c/d	1,455	460	669,300				
TOTAL	12,705		6,462,900	TOTAL	12,705		6,462,900

QUESTION 3

40 Ticks @ 0.5 = 20 Marks

EMPLOYEES SALARY SLIP FOR THE MONTH OF JANUARY 2024

	HIBBA (TZS)	**HIZZA (TZS)**	**HISHAM (TZS)**	**HIZRI (TZS)**
Basic pay	300,000	450,000	250,000	480,000
Add: Benefits and allowances				
Responsibility allowance	80,000	60,000	25,000	10,000
Meals allowance	50,000	50,000	50,000	50,000
Transport allowance	100,000	100,000	100,000	100,000
GROSS PAY	530,000	660,000	425,000	640,000
Less: Salary Deductions				
Social security fund	30,000	45,000	25,000	48,000
Insurance premium	20,000			
Salary advance		40,000		
Car loan repayment				50,000
Kilimanjaro SACOSS	15,000	22,500	12,500	24,000
PAYE Tax	52,350	94,700	48,600	104,500
NET PAY	412,650	457,800	338,900	413,500

QUESTION 5

46 Ticks @ 0.4 = 20 Marks

DR **MOTOR VAN ACCOUNT** **CR**

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
1/1/23	Toyota Motors Co.	24,000,000	31/12/23	Depreciation	4,800,000
			31/12/23	Balance c/d	19,200,000
TOTAL		24,000,000	TOTAL		24,000,000
1/1/24	Balance b/d	19,200,000	31/12/24	Depreciation	3,840,000
			31/12/24	Balance c/d	15,360,000
TOTAL		19,200,000	TOTAL		19,200,000
1/1/25	Balance b/d	15,360,000	31/12/25	Depreciation	3,072,000
			31/12/25	Toyota Motors Co.	8,000,000
			31/12/25	Profit and loss	3,144,000
			31/12/25	Balance c/d	6,144,000
TOTAL		15,360,000	TOTAL		15,360,000
1/1/26	Balance b/d	6,144,000			

DR **TOYOTA MOTORS COMPANY ACCOUNT** **CR**

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
1/1/23	Cash	4,800,000	1/1/23	Motor van	24,000,000
31/12/23	Cash	8,320,000	31/12/23	H.P interest	1,920,000
31/12/23	Balance c/d	12,800,000			
TOTAL		25,920,000	TOTAL		25,920,000
31/12/24	Cash	7,680,000	1/1/24	Balance b/d	12,800,000
31/12/24	Balance c/d	6,400,000	31/12/24	H.P interest	1,280,000
TOTAL		14,080,000	TOTAL		14,080,000
31/12/25	Motor vans	3,000,000	1/1/25	Balance b/d	6,400,000
31/12/25	Balance c/d	4,040,000	31/12/25	H.P interest	640,000
TOTAL		7,040,000	TOTAL		7,040,000
			1/1/26	Balance b/d	4,040,000

DR **H.P SALES ACCOUNT** **CR**

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
31/12/23	Trading	24,000,000	1/1/23	ADP company	24,000,000

DR **ADP COMPANY ACCOUNT** **CR**

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
1/1/23	H.P Sales	24,000,000	1/1/23	Cash	4,680,000
31/12/23	H.P interest	1,920,000	31/12/23	Cash	8,320,000
			31/12/23	Balance c/d	12,800,000
TOTAL		25,920,000	TOTAL		25,920,000
1/1/24	Balance b/d	12,800,000	31/12/24	Cash	7,680,000
31/12/24	H.P interest	1,280,000	31/12/24	Balance c/d	6,400,000
TOTAL		14,080,000	TOTAL		14,080,000
1/1/25	Balance b/d	6,400,000	31/12/25	Motor van repossessed	3,000,000
31/12/25	H.P interest	640,000	31/12/25	Balance c/d	4,040,000
TOTAL		7,040,000	TOTAL		7,040,000
1/1/26	Balance b/d	4,040,000			

DR **MOTOR VAN REPOSSESSED ACCOUNT** **CR**

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
31/12/25	ADP Company Ltd	3,000,000	31/12/25	Cash	6,200,000
31/12/25	Repairs	1,020,000			
31/12/25	Profit and loss	2,200,000			
TOTAL		6,200,000	TOTAL		6,200,000

QUESTION 6

60 Ticks @ 0.33 = 20 Marks

DR **REVALUATION ACCOUNT** **CR**

DETAILS	AMOUNT	DETAILS	AMOUNT
Plant	2,000	Premises	30,000
Stock	8,200		
Provision for doubtful debts	3,000		
Ilham 3/6	8,400		
Ahlam 2/6	5,600		
Arham 1/6	2,800		
TOTAL	30,000	TOTAL	30,000

DR **PARTNERS CAPITAL ACCOUNT** **CR**

DETAILS	ILHAM	AHLAM	ARHAM	IRHAM	DETAILS	ILHAM	AHLAM	IRHAM
Goodwill	18,000	12,000		1,200	Balance b/d	85,000	65,000	35,000
Retirement			42,000		Goodwill	21,000	14,000	7,000
Balance c/d	88,000	67,000			Balance c/d			12,800
TOTAL	106,000	79,000	42,000	12,000	TOTAL	106,000	79,000	12,000
Balance b/d				12,000	Balance b/d	88,000	67,000	
Bank	21,000				Bank			79,000
Balance c/d	67,000	67,000		67,000				
TOTAL	88,000	67,000		79,000	TOTAL	88,000	67,000	79,000

DR **PARTNERS CURRENT ACCOUNT** **CR**

DETAILS	ILHAM	AHLAM	ARHAM	IRHAM	DETAILS	ILHAM	AHLAM	IRHAM
Balance b/d		2,809			Balance b/d	3,714		4,678
Balance c/d	12,114	3,091	7,478		Revaluation	8,400	5,600	2,800
TOTAL	12,114	5,600	7,478		TOTAL	12,114	5,600	7,478
Retirement			7,478		Balance b/d	12,114	3,091	7,478
Bank	9,023				Bank			3,091
Balance c/d	3,091	3,091		3,091				
TOTAL	12,114	3,091	7,478	3,091	TOTAL	12,114	3,091	3,091
					Balance b/d	3,091	3,091	3,091

DR **RETIREMENT ACCOUNT** **CR**

DETAILS	AMOUNT	DETAILS	AMOUNT
Vehicle	3,950	Current account	7,478
Bank	53,578	Capital account	42,000
		Loan	8,050
TOTAL	57,478	TOTAL	57,478

DR **BANK ACCOUNT** **CR**

DETAILS	AMOUNT	DETAILS	AMOUNT
Capital: Irham	79,000	Balance b/d	4,200
Current: Irham	3,091	Capital: Ilham	21,000
Balance c/d	5,710	Current: Ilham	9,023
		Retirement	53,578
TOTAL	87,801	TOTAL	87,801

QUESTION 7

40 Ticks @ 0.5 mark = 20 Marks

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

DETAILS	TZS	TZS
Sales		1,320,250
Less: Return		(3,000)
Net Sales		1,317,250
Less: Cost of Goods Sold		
Opening inventory		95,000
Add: Purchases	920,000	
Less: Goods destroyed	(7,250)	912,750
		1,007,750
Less: Closing inventory (88,000 + 2,000)		(90,000)
COGS		(917,750)
GROSS PROFIT		399,500
Less: Expenses		
Depreciation on motorcar	9,900	
Loss on disposal	400	
Wages and salaries	153,120	
Motor and delivery expenses	14,810	
Rates and insurance	5,270	
General expenses	69,840	
Director's fee	45,000	(298,340)
NET PROFIT		101,160
Add: Retained earnings at start		85,000
		186,160
Less: Proposed dividend		(40,000)
RETAINED EARNINGS AT CLOSE		146,160

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

ASSETS	**TZS**	**TZS**	**TZS**
NON-CURRENT ASSETS			
Freehold land			370,000
Motor vehicle		49,500	
Less: Depreciation		(33,150)	16,350
Total Non-current Assets			386,350
CURRENT ASSETS			
Inventory		90,000	
Trade debtors		123,180	
Cash at bank		117,500	
Cash in hand		460	
Rates and insurance advance		1,120	
Insurance claim		7,250	339,510
TOTAL ASSETS			725,860
EQUITY AND LIABILITIES			
EQUITY			
Share capital (authorised and issued)			400,000
Retained earnings			146,160
Total equity			546,160
NON-CURRENT LIABILITIES			
Creditors		139,700	
Proposed dividend		40,000	179,700
TOTAL EQUITY AND LIABILITIES			725,860

QUESTION 8

16 Ticks @ 1.25 Marks = 20 Marks

STATEMENT OF ADJUSTING STOCK FOR THE YEAR ENDED 31/05/2022

DETAILS	**TZS**	**TZS**
Stock at 31/05/2022		8,761,200
Add: Under added stock	7,200	
Goods delayed to be delivered	63,800	
Goods received with delayed invoice	201,000	272,000
		9,033,200
Less: Goods deteriorated	57,000	
Goods damaged	20,000	
Over added stock	12,900	
Over added stock	900	
Hired generator	34,750	
Free samples	6,300	
Goods sold	60,200	
Goods sent not bought	26,700	(218,750)
CORRECT VALUE OF STOCK		8,814,800