TANZANIA HEADS OF ISLAMIC SCHOOLS COUNCIL

FORM SIX INTER ISLAMIC MOCK EXAMINATION

ACCOUNTANCY 1

(For Both School and Private Candidates)

153/1

TIME: 3 HOURS **Tuesday, 4th March 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. Working must be shown clearly and submitted.
5. Mathematical tables and 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).

SECTION A (40 Marks)

Answer **all** questions in this section

1. Dangote Cement Ltd wishes to hire an accounting expert to maintain all company's accounting matters. As one of the shortlisted interviewees, you are asked to explain in briefly the difference between the following accounting terms:
   (a) Financial accounting and managerial accounting
   (b) Income statement and statement of financial position
   (c) Returns inward and returns outward
   (d) Carriage inward and carriage outward

2. Show how each of the following errors would affect trial balance agreement.
   (i) Goods taken worth Tshs 10,600 credited to the capital account
   (ii) Cheque paying Tsh 38,000 to M. Wilson entered in a cash book but not in a personal account
   (iii) Goods purchased from Jamal Tumba & Son for Tsh 15,050 recorded in a purchases day book from the invoice as Tsh 15,500 was posted to the purchases account and Jamal Tumba & Son in ledger accordingly.
   (iv) A page in purchases book was overcasted by Tsh 12,000
   (v) A sales account was undercasted b Tsh 4,000
   (vi) The petty cash book balance of Tsh 7,100 was omitted from the trial balance.
   (vii) M. Majura was credited with Tshs 7,740 instead of Tshs 7,470
   (viii) A sales of Tshs 14,000 was incorrectly credited to A. Kasongo a debtor
   (ix) A payment of Tshs 9,200 made for carriage on purchases was posted to carriage outward account
   (x) A cash discount of Tshs 2,000 allowed to a debtor was correctly posted to his account but was credited to discount received account

   Use the following format for your answer

Item	If no effect state "No"	Debit side exceed credited side by amount shown	Credit side exceed debit side by amount shown
i			
ii			
iii			

3. A company has made the following payments in respect of electricity and internet expenses:

Electricity Expenses	**Date Paid**	**Amount Tshs**
Quarter ended 31st Jan 2007	02/01/2007	450,000
Quarter ended 30th Apr 2007	28/01/2007	450,000
Quarter ended 31st July 2007	31/04/2007	630,000
Quarter ended 31st Oct 2007	30/07/2007	630,000
Quarter ended 31st Jan 2008	01/11/2008	630,000

Internet Expenses	**Date Paid**	**Amount Tshs**
Quarter ended 30th Nov 2006	01.02.2007	525,000
Quarter ended 28th Feb 2007	01.04.2007	495,000
Quarter ended 31st May 2007	17.07.2007	600,000
Quarter ended 31st Aug 2007	12.10.2007	570,000
Quarter ended 30th Nov 2007	01.02.2008	720,000
Quarter ended 28th Feb 2008	02.04.2008	660,000

The company has a calendar year ended (Jan – Dec)

Answer the following questions:

(a) What balance should have been brought down in the electricity expenses account at 1.1.2007?

(b) What balance should have been brought down in the internet expenses account at 1.1.2007?

(c) What balance should be carried down in the electricity account at 31th Dec 2007?

(d) What balance should be carried down in the internet expenses account at 31th Dec 2007?

4. From the following business transactions provided, you are required to prepare the cash book account.

2018 May 1st Balance brought down from April

Cash balance …………………………………… 377,000

Bank balance …………………………….……… 8,502,000

Debtors accounts

Mr. Smart …………………………………….. 1,560,000

Mr. Kitochi …………………………………… 3,640,000

Miss Janja ……………………………………. 520,000

Creditors accounts

Mr. Kijana ……………………………………. 780,000

Mr. Mzee …………………….…………….. 5,720,000

Miss. Kikongwe ……………….……………. 1,300,000

2018 May	2nd	Mr. Smart paid us by cheque having 2 ½ cash discount Tshs 39,000	1,521,000
" "	8th	we paid Miss Kikongwe her account by cheque deducting 5% cash discount Tsh 65,000	1,235,000
" "	11th	we withdrew cash from bank for business use	1,300,000
" "	16th	Mr. Kitochi paid us his account by cheque, deducting 2 ½% discount	3,549,000
" "	25th	We paid office expenses in cash	1,196,000
" "	28th	Miss Janja paid us in cash after having deducted 5% cash discount	494,000
" "	29th	We paid Mr. Kijana by cheque less 5% cash discount Tshs 39,000	741,000
" "	30th	We paid Mr. Mzee by cheque less 2 ½ % cash discount Tsh 14,3000	5,577,000

SECTION B (60 Marks)

Answer **any three (3)** questions from this section

5. (a) On 31st Dec 2020 Mpemba Aluminium account's office was destroyed by fire. Most of the accounting records were destroyed, but the following records were recovered:

	Tshs
Long term liabilities ………………………………………………………..	650,000
Capital as at 1st Jan 2020 …………………………………………………..	1,350,000
Stock as at 31st Dec 2020 ……………………………………………………	200,000
Accumulated depreciation 31st Dec 2020 ……………………………………	250,000
Total assets (at cost) ………………………………………………………	2,500,000
Debtors ……………………………………………………………………..	300,000
Drawings …………………………………………………………………...	110,000

A copy of previous year's final accounts results provided the following ratio which are assumed to represent the general trend of the business.

Current ratio is 3:1 quick ratio 2:1

Debtors to sales ratio with 360 days in a year is 54 days

Gross profit margin is 20%

Stock turnover rate is 10 times

Operation expenses are 60% of gross profit

Required:
Calculate the figures required to complete the financial statement in the format provided below:

MPEMBA ALUMINIUM'S
INCOME STATEMENT FOR THE YEAR ENDED 31 DEC 2020

Sales	?	
Less: Cost of sales	?	
Gross profit	?	
Less: Operating expenses	?	
Net profit	?	

MPEMBA ALUMINIUM'S
STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2020

Fixed assets	?		
Less: Accumulated depreciation	?	?	
Current Assets	?		
Less: Current liabilities	?		
Working capital		?	
		?	
Financed by:			
Capital	?		
Add: Net profit	?		
	?		
Less: Drawings	?	?	
Long term liabilities		?	
		?	

6. TANTRADE PLC owned the following motor vehicles as at 1st Apr 2016.

Motor vehicle	Date Acquired	Cost	Estimated residual value	Estimated life (years)
		Tshs	Tshs	
IST	1st Oct 2013	17,000,000	5,000,000	5
PASSO	1st Apr 2014	24,000,000	4,000,000	8

TANTRADE PLC's policy is to provide at the end of each financial year depreciation using the straight line method applied on the month by month basis on all motor vehicles used during the year.
During the financial year ended 31st March 2017 the following occurred:
(a) On 30th June 2016 IST was traded and replaced by RAUM. The trade-in allowance was Tshs 10,000,000. RAUM cost Tshs 30,000,000 and the balance due (after deducting the trade-in allowance) was paid partly in cash and partly by a loan of Tshs 12,000,000 from NMB. RAUM is expected to have a residual value of Tshs 8,000,000 after an estimated economic life of 5 years.
(b) The estimated remaining economic life of PASSO was reduced from 6 years to 4 years with no change in the estimated residual value

Required:

Construct

(i) Motor vehicle account

(ii) Provision for depreciation account

(iii) Motor vehicle disposal account

(Show necessary calculations clearly)

7. Dunia Mbae is a retail stock outlet operating from a head office in Kigoma and a branch in Dar es Salaam. The following trial balances have been extracted from the book of account as at 31st Dec 2021.

	HEAD OFFICE		**BRANCH**	
	DR	**CR**	**DR**	**CR**
Trade debtors	300,000		300,000	
Trade creditors		250,000		
Capital		2,050,000		
Drawings	200,000			
Cash and bank	77,500		65,000	
Administrative expenses	1,000,000		82,500	
Distribution expenses	402,500		25,000	
Current accounts	875,000			600,000
Provision for doubtful debts		45,000		12,500
Purchases	4,570,000			
Sales		4,250,000		2,185,000
Goods sent to branch at invoice price		1,900,000	1,875,000	
Machinery: Cost	1,750,000		500,000	
Provision for depreciation on machinery		700,000		150,000
Stock 1st January 2021	40,000		100,000	
Provision for unrealized profit		20,000		
	9,215,000	**9,215,000**	**2,947,500**	**2,947,500**

Dunia Mbae provided you with the following information:

(i) All goods are purchased by the head office. Those goods sent to the branch are invoiced at cost plus 25%.

(ii) Stocks were valued at 31st Dec 2021 as being at head office, Tshs 60,000 and at the branch Tshs 75,000 at their invoice price.

(iii) Depreciation is to be provided for the year on the fixed assets at a rate of 10% on the historic cost.

(iv) The provision of doubtful debts is to be maintained at a rate of 5% of outstanding trade debtors as at the end of financial year.

(v) As at 31st Dec 2021 there was Tshs 250,000 cash in transit from the branch to the head office, this cash was received in Kigoma on 3rd January 2022. There was also Tshs 250,000 of goods in transit at invoice price from the head office to branch, the branch received those goods on 10th January 2022.

Basing on the information of Dunia Mbae for the year ended 31st Dec 2021, prepare in adjacent columns, the heads office and the branch income statement with no combined column and a combined statement of financial position for Dunia Mbae as at that date.

8. Pamoja Tunaweza Co. Ltd entered into the following transactions of sale and purchase of equity shares of Nguvu Moja Ltd. The shares have paid up value of Tshs 100 per share.

Date	No of shares	Terms
05/01/2016	600	Purchases at Tshs 200 each
25/03/2016	900	Purchases at Tshs 250 each
30/05/2016	1000	Purchases at Tshs 230 each
11/07/2016	2500	Bonus share received
03/12/2016	1500	Sales at Tshs 220 each
21/02/2017	1000	Sales at Tshs 240 each

Additional information:

(a) On 15/09/2016 dividend at Tshs 300 per share was received for the year ended 31.03.2016.

(b) On 12/11/2016 company made a right issue of equity shares in the ratio of one share for five shares held on payment of Tshs 200 per share. He subscribed to 60% of the shares and renounced the remaining share on receipt of the premium of Tshs 30 per share.

(c) Shares are to be valued on weighted average cost basis.

You are required to prepare investment account for the year ended 31/03/2016 and 31/03/2017.

Wabillah Tawfiiq