TANZANIA HEADS OF ISL SCHOOLS COUNCIL

FORM SIX INTER ISL MOCK EXAMINATION

ACCOUNTANCY 1

Marking Scheme

2025

a) Financial accounting is focused on providing financial information to external parties, such as - Investors, creditor and regulators while Managerial Accounting, is more focused on providing information for Internal decision - making. It helps managers within organization to make decisons e.g budgeting, cost analysis.

b) Income is a statement prepared at the end of trading period so as to determine profit or loss of the business while Statement of financial position is a statement of the business which is being prepared so as the business can determine the financial position this contained the list of Assets of the business, Liabilities and capital of the business

c) Return inward is the number of items that customer returns to the seller due to some reasons such as expired goods or damaged on transit while return outward this is a return or sometimes it called Purchases return, this is when goods purchased and found not suitable for consumption then returned by buyer.

d) Carriage inward, this is know as Carriage on purchase which means that the buyer will take charge to transport the goods from a point of purch to his/her point of destination while Carriage outward sometimes known as carriage on sales. This means the cost of transfer goods is made by the seller up to the point of buyers premises.

4 ticks @ 02.5 Total 10 Marks

2

Item	No effect	Debit side exceed Credit side by:-	Credit side exceed Debit side by:-
I	~~No.~~		19600
II			38 000
III	No.		
IV		12000.	
V			
VI		~~4000~~ ~~7100~~	~~4000~~ 7100
VII			270
VIII			28 000
IX	No.		
X			4000.

10 ticks @ 1 Mark
(Total 10 Marks)

3. a) At 1.1.2007 Bal b/d will be Tshs 300,000 Unpaid 01.5 01 02.5

b) At 1.1.2007 Bal b/d will be Tshs 690000 Unpaid 01.5 01 02.5

c) At 31/12/2007 Bal c/d will be Tshs 210000 Prepaid 01.5 01 02.5

d) At 31/12/2007 Bal c/d will be Tshs 940,000 Unpaid 01.5 01 02.5

10 Marks

Total 10 Marks

4

THREE COLUMN CASH A/C

Details	Disc	Cash	Bank	Details	Disc	Cash	Bank
1.5.18 Bal b/d		377000	8502000	8.5 Mr Kikongwe	65000	-	1235000
2.5.18 Mr Smart	39000		1521000	11.5 Cash "C"	—	-	1300000
11.5.18 Bank "C"	-	1300,000		25.5 Office exp		1196000	
16.5.18 Mr Kutozha	91000		3544000	29.5 Mr Kyama			741000
28.5.18 Miss Janja	26000	494000		30.5 Mr Mzee	143000	-	5577000
				31.5 Bal c/d	-	975000	4719000
	156000	2171000	13572000		247000	2171000	13572000
	-	975000	4719000		-		

20 tick @ 0.5
(total 10 marks)

5. (a) 20 Ticks @ 0.5 = 10 Marks.

MPEMBA ALUMINUM's
INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020✓

Sales	2,000,000✓
Less: Cost of sales	1,600,000✓
Gross profit	400,000✓
Less: Operating expenses	240,000✓
Net profit	160,000✓

MPEMBA ALUMINUM's
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

Fixed Assets	1,900,000✓	
Less: Accumulated depreciation	250,000✓	1,650,000✓
Current Assets	600,000✓	
Less: Current liabilities	200,000✓	400,000✓
Working capital		2,050,000✓
Financed by:		
Capital	1,350,000✓	
Add: Net Profit	160,000✓	
	1,510,000✓	
Less: Drawings	110,000✓	1,400,000✓
Long term liabilities		650,000✓

2,050,000✓

(b) **2 Marks @ = 10 Marks.**

(i) Non Availability of Data

When dealing with private companies it can be quite difficult to obtain data and financial statements from firms of interest to an analyst. Even in public companies there may be limited financial disclosures which could result in non-availability of data.

(ii) Absence of Qualitative Data and Information

Accounting figures do not fully encompass qualitative attributes of a firm. These may be important in interpretation of financial statements, absence of which may distort the analysis.

(iii)Non-Uniformity in Reporting Periods

When entities report results in different time periods, comparison of results is also limited.

(iv)Non-Uniformity in Accounting Estimates and Policies

Firms can choose different accounting methods and still remain within Standard Accounting Practice. Differences in accounting estimates can result in incomparability of results of firms.

(v) Inflation

Conventional financial statements do not take account of inflation. Therefore, in time series analysis the effects of inflation on financial statements under observation need to be taken account of.

6. **40 ticks @ 0.5 = 20 Marks.**

ANNEX

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

	HEAD OFFICE		**BRANCH**	
	TZS	**TZS**	**TZS**	**TZS**
Sales		4,250,000✓		2,185,000✓
Goods sent to branch		1,900,000✓		
		6,150,000✓		
Less: Cost of goods sold:				
Opening stock	40,000✓		100,000✓	
Add: Purchases	4,570,000✓			
Goods received from H/O			1,875,000✓	
	4,610,000✓		1,975,000✓	
Less: Closing stock	60,000✓	4,550,000✓	75,000✓	1,900,000✓
Gross profit		1,600,000✓		285,000✓
Reduced provision for doubtful debts		30,000✓		
		1,630,000✓		

Less: Expenses:				
Administrative	1,000,000✓		82,500✓	
Distribution	402,500✓		25,000✓	
Depreciation	175,000✓	1,577,500✓	50,000✓	
Provision for doubtful debts			2,500✓	160,000✓
Net Profit		52,500✓		125,000✓

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	TZS	TZS	TZS
Machinery	2,250,000	(1,075,000)	1,175,000✓
Current assets:			
Stock		140,000✓	
Debtors	600,000✓		
Less: Provision for doubtful debts	30,000✓	570,000✓	
Cash and bank		392,500✓	1,102,500✓
			2,277,500
Capital			2,050,000✓
Less: Net profit			177,500✓
			2,227,500
Less: Drawings			200,000✓
			2,027,500
Current liabilities:			
Creditors			250,000✓
			2,277,500

7. **32 ticks @ 0.625 Mark = 20 Marks.**

1Ap — 3 marks

Dr **Motor Vehicle account** **Cr**

Details	Amount	Details	Amount
Cash (IST) — 2013	17,000,000✓	Balance c/d	17,000,000✓
Balance b/d	17,000,000✓		
Cash (PASSO) 2014	24,000,000✓	Balance c/d	41,000,000✓
	41,000,000		41,000,000
Balance b/d — 2015	41,000,000✓	Balance c/d	41,000,000✓
Balance b/d — 2016	41,000,000✓	Disposal (IST) 30th June 2016	17,000,000✓
Disposal (RAUM) — 30th June 2016	30,000,000✓	Balance c/d	54,000,000✓
	71,000,000		71,000,000
Balance b/d — 2017	54,000,000✓		

07.5 marks

12 ticks × 0.5 = 6m.

ii) Disposal A/c

M/vehicle	17,000,000	Provision	6,600,000
Provision for disposal	7,600,000	allowance	10,000,000
		Cash	8,000,000

1 mark @

iii) Provision for disposal

Balance c/d	13,300,000	Balance b/d	4,400,000
		P&L	8,900,000
	13,300,000		13,300,000
		B/d	13,300,000

1 mark @

(working 5 marks)

8 DR PAMOJA TUNAWEZA Ltd EQUITY SHARES INVESTMENT A/C CR

Details	N	I	C	Details	N	I	C
5/1 Bank (P)	60000	-	120000	31.3 Bal c/d	150,000	-	345000
25/3 Bank (P)	90000	-	225000				
	150,000	-	345000		150,000	-	345000
1.4. Bal b/d	150,000		345000	15/9/16 Bank	-	450,000	-
30.5 Bank (P)	100,000	-	230000	12/11/16 Right sold	-	-	52000
11.7 Bonus share	250000	-	-	3/12/16 Bank (S)	150,000	-	330000
12.11 Right issue	60000	-	120000	21/2/17 Bank (S)	100,000		240,000
3.12 Prof on disp	-	-	157768	31/12/17 Bal c/d	310000	-	355947
21.2/17 Profit on disp	-	-	125179				
31.3.17 Incom statement	-	450000	-				
	560,000	4500000	977947		560000	4500000	977947
1.4/17 Bal b/d	310000	-	355947				

25 ticks @ 0.8

(Total 20 Marks)