

Name: _____ Index No.: _____ / _____

1902/203
 1908/203
BOOKKEEPING AND ACCOUNTS
 November 2012
 Time: 3 hours

Candidate's Signature: _____

Date: _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

CRAFT CERTIFICATE IN SALES AND MARKETING
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT

BOOKKEEPING AND ACCOUNTS

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.
Sign and write the date of the examination in the spaces provided above.
This paper consists of TWO sections; A and B.
Answer ALL questions in both sections in the spaces provided in this question paper.
Show all your workings.

For Examiner's Use Only

SECTION A

Questions	1	2	3	4	5	6	7	8	9	10	TOTAL
Marks											

SECTION B

Questions	11	12	13	14	TOTAL
Marks					

**GRAND
TOTAL**

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This paper consists of 18 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A (40 marks)

1. State the journal in which each of the following transactions will be entered.

Journal

- (i) Sale of goods on credit _____
- (ii) Purchase of equipment _____
- (iii) Payment of wages _____
- (iv) Purchase of goods on credit _____

(4 marks)

2. The following information relates to the business of Bidii Enterprises for the year 2010.

	Ksh
Inventory (1 January 2010)	18,000
Inventory 31 December 2010	13,000
Sales Returns	2,000
Purchases	148,000
Sales	420,000
Purchases returns	5,000

Prepare trading account for the year ended 31 December 2010.

(4 marks)

3. Explain each of the following terms:

(i) Imprest system;

(ii) Contra entry, in relation to cash book.

(4 marks)

4. Otieno is allowed to produce 10 units of a product in a firm in 30 minutes at a basic rate of Ksh40 per unit. He is paid bonus of Ksh50 per every hour saved. During the first week of April, 2011, he produced 600 units in 20 hours. Calculate his gross pay for the week.

(5 marks)

5. The following accounting entries were obtained from the books of Dama Traders.

Capital Account					
Ksh			Ksh		
18/1	Cash	5,000	3/1	Cash	180,000
			10/1	Equipment	20,000

Cash Account					
Ksh			Ksh		
18/1	Capital	180,000	6/1	Equipment	10,000
			18/1	Capital	5,000

Equipment Account		
	Ksh	Ksh
6/1 Cash	10,000	
10/1 Capital	20,000	

Explain the transaction which took place on each date. (4 marks)

6. Fill in the missing figures in the following table.

Assets	Capital	Liabilities
Ksh	Ksh	Ksh
400,000	(a) -----	150,000
(b) -----	140,000	200,000
340,000	160,000	(c) -----

(3 marks)

7. Classify the following costs as either fixed or variable.

	class of cost
(i) Salaries	_____
(ii) Raw materials	_____
(iii) Rent	_____
(iv) Factory power	_____

(4 marks)

8. State **four** uses of general journal.

(4 marks)

9. Explain the following accounting concepts.

(i) Prudence

(ii) Consistency

(4 marks)

10. State **two** advantages of piece rate method of labour remuneration.

(4 marks)

SECTION B (60 marks)

11. (a) Explain **three** benefits of computerised accounting system to an organisation.

(6 marks)

(b) The following information relates to the business of Keli Enterprises.

Cash Book (Bank columns)
for January 2011

		Ksh			Ksh
Jan 1	Balance b/d	40,000	Jan 1	George	20,000
*	4 Daniel	60,000	*	10 Peter	10,000
*	12 Melly	50,000	*	18 Wilson	60,000
*	28 James	<u>30,000</u>	*	31 Balance c/f	<u>90,000</u>
		<u>180,000</u>			<u>180,000</u>

Bank Statement for January, 2010

Date	Details	Debit (Ksh)	Credit (Ksh)	Balance (Ksh)
Jan 1	Balance b/d			40,000
4	Barclays - Dividend		32,000	72,000
7	Daniel		60,000	132,000
9	George	20,000		112,000
15	Melly		50,000	162,000
16	ART - standing order	12,000		150,000
19	Daniel	60,000		90,000
25	Bank charges	2,000		88,000

Prepare:

- (i) Adjusted cash book;
- (ii) Bank reconciliation statement. (9 marks)

12. The following trial balance was extracted from the books of Hati Enterprises as at 30 April, 2010.

	Ksh	Ksh
Revenue		180,000
Salaries	30,000	
Equipment at cost	100,000	
Provision for depreciation on equipment		20,000
Rent	40,000	
Accounts payable		25,000
Account receivable	32,000	
Furniture at cost	150,000	
Provision for depreciation on furniture		15,000
Bank overdraft		36,000

Drawings	18,000	
Cash in hand	70,000	
Insurance	16,000	
General expenses	24,000	190,000
Capital	<u> </u>	<u>14,000</u>
Commission received	<u>480,000</u>	<u>480,000</u>

Additional information:

- As at 30 April 2010,
 - Insurance paid in advance was Ksh1,000;
 - rent owing was Ksh3,200.
- Depreciation is provided for as follows:
 - Equipment - Ksh12,000;
 - Furniture - Ksh17,000.

Prepare:

- (j) Income statement for the year ended 30 April 2010;
- (ii) Balance sheet as at 30 April 2010. (15 marks)
