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(Knowledge for Development)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS

2020/2021 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER

SPECIAL/SUPPLEMENTARY EXAMINATION

FOR THE DIPLOMA IN BUSINESS ADMINISTRATION

COURSE CODE: DAB 101

COURSE TITLE: FINANCIAL ACCOUNTING I

DATE: 2ND FEBRUARY, 2021

TIME: 2.00PM - 4.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

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SECTION A (COMPULSORY)

QUESTION ONE

The following balances stood in the ledger of J. Kingston on 31st December, 2012

	SH.
Cash in hand	2,400
Cash at bank	8,620
Petty cash in hand	300
Stock 1 st January, 2012	12,000
Motor vehicles	60,000
Sundry debtors	32,700
Sundry creditors	26,520
Purchases	78,200
Purchases returns	3,200
Sales	175,400
Sales returns	3,400
Carriage in	1,500
Carriage out	1,750
Discounts received	3,500
Discounts allowed	2,800
Rent and rates	8,000
Wages and salaries	36,000
Printing and stationery	7,400
Drawings	5,000
Telephone and telegraphs	1,250

Office equipment	20,000
Furniture	15,000
Electricity	1,450
Water	350
Bank charges	120
Insurance	3,600
Motor expenses	5,600
General office expenses	4,300
Stock in trade as at 31 st December, 2012	22,700

REQUIRED

- Arrange the above balances in a trial balance on 31st December, 2012
- Prepare trading, profit and loss account for the year ended 31st December, 2012
- Prepare a balance sheet as at 31st December, 2012

(30 marks)

SECTION B (CHOOSE ANY TWO QUESTIONS)

Question Two

A three-column cashbook is to be written up from the following details, balanced off, and the relevant discount accounts shown.

2013

Mar 1 Balances brought forward: Cash Sh.230; Bank Sh.4,756.

“ 2 The following paid their accounts by cheque, in each case deducting 5 percent discounts: R Burton Sh.140; E Taylor Sh.220; R Harris Sh.800.

“ 4 Paid rent by cheque Sh.120.

“ 6 J Cotton lent us Sh.1,000 paying by cheque.

“ 8 We paid the following accounts by cheque in each case deducting a 2 ½ per cent cash discount: N Black Sh.360; P Towers Sh.480; C Rowse Sh.300.

“ 10 Paid motor expenses in cash Sh.44.

“ 12 H Hankins pays his account of Sh.77, by cheque Sh.74, deducting Sh.3 cash discount.

“ 15 Paid wages in cash Sh.160.

“ 18 The following paid their accounts by cheque, in each case deducting 5 per cent cash discount: C Winston Sh.260; R Wilson & Son Sh.340; H Winter Sh.460.

- “ 21 Cash withdrawn from the bank Sh.350 for business use.
- “ 24 Cash Drawings Sh.120.
- “ 25 Paid T Briers his account of Sh.140, by cash Sh.133, having deducted Sh.7 cash discount.
- “ 29 Bought fixtures paying by cheque Sh.650.
- “ 31 Received commission by cheque Sh.88. **(20 marks)**

Question Three

a) Write short notes on the following source documents.

- i) Debit note
- ii) Credit note
- iii) Purchase requisition note
- iv) Sales invoice
- v) Receipt **(10 marks)**

(b) Differentiate between the following terms as used in accounting.

- (i) A debit entry and credit entry **(2 marks)**
- (ii) Return inwards and return outwards **(2 marks)**
- (iii) An asset account and liability account **(2marks)**
- (iv) An expense account and revenue account **(2 marks)**
- (v) A trail balance and a balance sheet **(2 marks)**

Question Four

Write notes on any 5 basic accounting concepts **(20 marks)**