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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER
MAIN EXAMS

**FOR THE DEGREE OF BACHELOR OF COOPERATIVE AND
ENTREPRENEURSHIP MANAGEMENT**

COURSE CODE: CMP 225

COURSE TITLE: CO-OPERATIVE ACCOUNTING

DATE: 13th MAY, 2022

TIME: 9:00AM - 11:00AM

INSTRUCTIONS TO CANDIDATES

QUESTION ONE

- a) Identify two importance of co-operative accounting to the members (3mks).
- b) List two requirements of the society in relation to Co-operative Accounting (2mks)
- c) Describe two accounting concepts that underlie the preparation of financial accounts (4mks)
- d) Identify three purposes of an accounting plan (3mks)
- e) What are the objectives of a member transactions system (3mks)
- f) Name any three forms and equipment that are used for recording and controlling the produce delivered to the society by the members (3mks)
- g) What are some of the main source documents for the transactions in a co-operative society (3mks)
- h) Identify four types of information contained in the asset register (4mks)
- i) Identify the five steps in budgeting (5mks)

(TOTAL 30 MRKS)

QUESTION TWO

- a) Explain six Objectives of Standardized accounting system in co-operatives (12mks)
- b) How has cooperative accounting evolved through the years (8mks)

(Total 20marks)

QUESTION THREE

- a) Enter the following transactions into their respective ledger accounts, clearly indicating the activity group identification number for each (10mks).

On 15 08/09:

-Uzuri co-operative society paid and electricity bill of 16,000 with a cheque.

-Sitting allowance of 20,000 to Mr. Wafula in cash

-170,000 was put on a fixed deposit account at co-operative bank account

- b) Enumerate the steps followed when giving loans to members (10mks)

(Total 20marks)

QUESTION FOUR

The information below relates to Mwenda pole co-operative society C.S. No. 2440 in respect of its transport activity for the month of July 2021 The society operates an account at the Co-operative Bank stima plaza branch.

Opening balances: cash in hand 400, Cash at bank 12,600
Motor vehicle 185,000
Share capital 20,000
Loans from co-operative bank 160,000
Creditors 18,000

Transactions for the month July were:

- 2nd purchased fuel for sh. 900 by cheque No. 901
- 4th repaid bank loan for sh. 10,000 by cheque No. 902
- 5th received from transport sh. 6,300 cash
- 6th purchased fuel by cash sh. 800
- 10th paid salaries sh.1, 400 by cash
- 12th paid sundry expenses sh. 160 cash
- 13th bought fuel by cash sh. 940
- 18th banked sh.3000
- 19th paid creditors by cheque sh. 3500 cheque No. 903
- 20th purchase fuel on credit sh. 850
- 22nd received from transport sh. 12000 by cash
- 23rd banked sh. 10000
- 23rd paid insurance by cheque No. 904 sh. 5500
- 24th paid salaries sh. 1400 by cash
- 26th received from transport sh.6000 by cash
- 28th bought fuel by cash sh.700
- 31st paid for the fuel bought on credit on 20th by cash

Required

1. Enter the transactions into the cash journal (7Mrks)
2. Post them (all) in the Loose Ledger (7mrks)
3. Prepare a Journal/ work sheet for trial balances/ check list (6mrks)

(Total 20marks)