



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR  
FIRST YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS  
CERTIFICATE IN BUSINESS MANAGEMENT.  
COURSE CODE: CBM 005**

**UNIT NAME: BOOK KEEPING & ACCOUNTING**

**DATE: 8TH APRIL, 2022**

**TIME: 0830-1030**

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**INSTRUCTIONS TO CANDIDATE**

Answer Question **ONE** and any other **THREE** questions

## SECTION A (COMPULSORY)

### QUESTION 1.

- a) State importances of book keeping to the business. **(5Marks)**
- b) You have been provided with the following data
- Jan 1 started a business with \$3,500 cash .
- 2 . Deposited \$ 2800 of cash into a bank account.
  - 3 . Bought good for cash \$ 150.
  4. Bought goods on credit from L coke \$ 350 ; M Burton 490 ; T Hill \$110 ; C Small \$340
  - 5 . Bought stationery on credit from Swift ltd \$ 170.
  6. Sold goods on credit to S Walter \$ 90 ; T Binns \$ 150 C Howard 190 ; P Peart \$160
  8. Paid rent by cheques \$ 55.
  10. Bought fixtures on credit from Matalon ltd \$480.
  11. Paid salaries in cash \$ 120
  14. Returned goods to M Burton \$ 40 ; T Hill \$ 60
  - 15 . Bought motor van by cheque \$ 700
  - 16 . Received loan from J Henry by cheque \$ 600
  18. Goods returned to us by S Walters \$20 ; C Howard \$ 40
  21. Cash sales \$ 90
  24. Sold goods on credits T Binns \$ 100 ;P Peart \$ 340
  26. We paid the following by cheque M Burton \$ 450 ;T Hill \$ 50
  29. Received cheques from J .Smart \$ 115 T Binns \$ 250
  30. Received a further loan from J Henry by cash \$ 200.
  30. Received \$ 500 cash from P Peart.

#### **Required**

Enter the following transactions into various ledger accounts and extract a trial balance as at 31 January 2022 **(15marks)**

- C) State and explain five features of a good accounting system. **(5Marks)**

## SECTION B

### Question 2.

You have been provided with the following information

March 1. Balances brought down from last month .Cash in hand \$ 56 ;Cash in

- Bank \$ 2356.
- 2. Paid rates by cheque \$ 156.
- 3. Paid for postage stamps in cash \$ 5
- 4. Cash sales \$ 74
- 7. Cash paid into bank \$ 60 .
- 8. We paid T Lee by cheque \$ 75; We paid C Brooks in cash \$ 2 .
- 12. J Moores pays us \$ 150 , \$ 50 being in cash and \$ 100 by cheque.
- 17. Cash drawings by proprietor \$ 20
- 20 . P Jones pays us by cheques \$ 79.
- 22. Withdrew \$ 200 from the bank for business use.
- 24. Bought a new motor van for \$ 195.
- 28. Paid rent by cheque \$ 40 .
- 31. Cash Sales paid direct into bank \$ 105.

### **Required**

- (a) Prepare a two- column cash book from the following details , and balance off as at the end of the month. 2021. **(15 Marks)**

### **Question 3.**

- a) Briefly describe the quantities of accounting information **(5marks)**
- b) Describe five concepts / principles that guide accounting and accounts **(10 marks)**

### **Questions 4.**

The following transactions took place in Kamandura Traders. 2021.

- May 1 . Balances brought forward ; cash 230 ; Bank sh 4,756.
- May 2. The following paid their account by cheque in each case deducting 5% discount ,R Burton sh 140 , E Taylor sh 220 R Harns sh 800.
- May 4 . Paid rent by cheque sh 120.
- May 6. J Cotton lent us 1000 paying by cheque.
- May 8 . Paid the following accounts by cheques in each case deducting 2.5% cash discount N Black sh 360 , P Tower sh 480 , C Rowse sh 300.

May 10. Paid motor expenses in cash 44.

May 12. H Hankins pays his account pay his account of sh 77 by cheque of sh 74.

May 15. Paid wages in cash sh 160.

May 18. The following paid their accounts by cheque , in each case deducting 5% cash discount .Winston sh 260 , Wilson sh 340 , winter sh 460.

May 21 . Cash withdrawn from bank sh 350 for business use.

May 24 . Cash drawings sh 120.

May 25. Paid Briers his account of sh 140 by cash sh 133.

May 29. Bought fixtures paying by cheque sh 650

May 31. Received commission by Cheque sh 88.

### **Required**

Prepare a three column cashbook balance it off and show the relevant account in the relevant ledger. **(15marks)**

### **QUESTION FIVE**

- a) Describe various errors in Accounting that do not affect the balancing of trial balance. **(5marks)**
- b) State and explain five functions of a trial balance in an organization. **(10 Marks)**

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