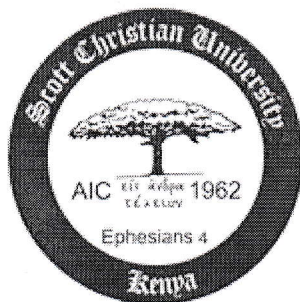




SCOTT CHRISTIAN UNIVERSITY
UNIVERSITY EXAMINATIONS

BBA 106/MGT 122: FUNDAMENTALS OF ACCOUNTING I – EVENING

APRIL 2016

Lecturer : A. Munyao

Time: 2 Hours

Answer ALL THE Questions

QUESTION ONE

(30 Marks)

a) The following transactions took place in Isaac business in the first week of August 2015

- | | |
|--------|--|
| 1/8/15 | The owner started the business with shs10, 000 cash |
| 2/8/15 | Bought stock worth shs4, 000 on credit from Beatrice |
| 3/8/15 | Deposited shs6, 000 cash into the bank account |
| 4/8/15 | Paid Beatrice shs2, 000 using a cheque in respect of the goods supplied on |
| 2/8/15 | |
| 5/8/15 | Bought furniture worth shs1, 000 and paid by cash. |

Required

- i. Open the relevant accounts and post the above transactions
- ii. Balance off the accounts as at 5/8/15 (15 marks)

- b) The following table shows effects of transactions on balance sheet items. Complete the table by showing the effects.

Transaction	Effects	
Buygoods on credit		
Buygoods by cheque		
Paycreditor by cheque		
Ownerpay more capital into the bank		
Ownertakes money out of the business bankaccount for hisown use		
Owner pays creditorfromprivate money outside the firm		

(6 marks)

- c) List 4 general purposes of accounting (4 marks)
- d) List 5 qualities of good accounting information (5 marks)

QUESTION TWO (20 Marks)

- a) Name and Explain four types of errors which are not disclosed by the trial balance.

(6marks)

- b) Mr. Juma Mambo Leo started a business on 1st January 2014.during the first month of trading the following transactions took place.Wrote a personal cheque and depositedinto the business bankaccount Sh800, 000, Withdrew Sh200, 000 from the bank and put itinto the cash till.

2nd Jan, Purchasedgoods by cheque Sh70, 000

3rd Jan, Boughtfurniture for cash Sh25, 000

3rd Jan, Boughtequipment on credit Sh75, 000

4th Jan, Soldgoods for cash Sh100, 000

5th Jan, Boughtgoods and paid by cheque Sh.200, 000

6th Jan, Bought a motor van paying by cheque Sh.210, 000

10th Jan, Obtainedloanfrom the bank Sh.500, 000

12th Jan, Soldgoods on credit Sh75, 000

16th Jan, Sold goods payment made by cheque Sh.100, 000

16th Jan, Received a cheque from debtor Sh.60, 000

30th Jan, Took Sh10, 000 from the cash till for personal use.

Required

Using the above given details, write up a Two column cash book for Mr. Juma Mambo Leo for the month of January 2014. (14 marks)

QUESTION THREE

(20 Marks)

a) Enter the following transactions in a cash account and then balance it off showing clearly the balances c/d and balances b/d

- i) Balance brought forward in the cash till sh 2000 1 May 2015
- ii) Cash sales of sh10, 000 4 May 2015
- iii) Cash received from debtors sh25008 May 2015
- iv) Expenses paid sh4500 7 May 2015
- v) Cash purchases sh9700 11 May 2015

(8marks)

b) Partners in a partnership business are classified according to age, the role they play and capital contribution. With this in mind, differentiate between the following types of partners.

- i) Major partner and Minor partner
- ii) Active partner and Sleeping/dormant Partner
- iii) Nominal/Quasi partner and Real partner

(12 marks)

*****END*****