

10 points

i	ii	iii	iv	v	vi	vii	viii	ix	x	10 points
B ✓	R ✓	B ✓	E ✓	D ✓	D ✓	A ✓	E ✓	A ✓	B ✓	

10 points

i	ii	iii	iv	v	
H ✓	G ✓	A ✓	A ✓	B ✓	10 points

DR	Sales A/c		CR
30.01.1994 Machinery	60,000 ✓	10/01/1995 Kitufe	85,000 ✓
		12/01/1995 Cash	160,000 ✓
		20/01/1995 Kitufe	69,000 ✓
		30/01/1995 Cash	43,750 ✓

DR	Purchases A/c		CR
08/01/1994 Cash	120,000 ✓		
02/04/1994 Mwembamba	50,000 ✓		
18/01/1994 Purchases	12,500 ✓		

DR	Machinery A/c		CR
04.01.1994 Cash	60,000 ✓	30.01.1994 M. Disposal	60,000 ✓

DR	Kitufe A/c		CR
10.01.1994 Sales	85,000 ✓	22.01.1994 Cash	84,000 ✓
28.01.1994 Sales	69,000 ✓		

DR	Mwembamba A/c		CR
16.01.1994 Cash	47,500 ✓	02.01.1994 purchases	50,000 ✓
		18.01.1994 purchases	12,500 ✓

1 tick = 1/2 point
20 ticks = 10 points

10 points

*04

(1 tick = 1/2 points)

Journal entries

	Particulars	Debit	Credit
a.	Suspense A/c Rent A/c	~~225~~ 50 ✓	50
b.	Suspense A/c Sales A/c	100 ✓	100
c.	Suppliers A/c Suspense A/c	225 ✓	225
d.	Sales Returns A/c Sundry creditors Suspense A/c	100 ✓	100
e.	Sundry creditors A/c Purchases A/c	500 ✓	500
f.	Sundry debtors Suspenses	100 ✓	100
g.	Suspenses A/c Wages A/c	425	425

(10 ticks = 10 points)

DR

Suspense A/c ✓

Rent
Sales
Wages

50 ✓
100 ✓
425 ✓

575

Difference in trial balance
Suppliers
Sundry debtors
Sales Returns

CR
150 ✓
225 ✓
100 ✓
100 ✓

575

R. tausi

statement of Affairs as March 2001

Non-current assets		
fixtures		2,500
Current assets		
stock	23,050	
debtors	41,760	
cash	2,030	
Total current assets		66,840
Total assets		69,340
Less: current liabilities		
creditors		7,420
Capital		61,920

R. tausi

Statement of Affairs as at March 2002

Non-current assets		
Fixtures		2,300
Current assets		
stock	25,620	
debtors	37,770	
cash	1,810	
Total current assets		65,200
Total Assets		67,500
Less: current liabilities		
creditors		8,190
Capital		59,310

statement of profit or loss for Year ended March 2002

Closing capital		59,310
Add: Drawings	12,000	
stock taken	3,000	
		15,000
		74,310
less opening capital		61,920
Profit		12,390

10 points

- i. Standing orders ✓
 - ii. Bank charges ✓
 - iii. Uncredited cheques
 - iv. Unpresented cheques
 - v. Errors ✓
 - vi. Direct collections on behalf of customers
- It is = 2 points
EQ = 10 points

07 DR Accumulated provision for depreciation A/c CR			
31.12.1995 Balance c/d	1000	31.12.1995 Income statement	1000
31.12.1996 Balance c/d	2650	01.01.1996 Balance b/d	1000
	2650	31.12.1996 Income statement	1650
			2650
31.12.1997 M. Disposals	3000	01.01.1997 Balance b/d	2650
31.12.1997 Balance c/d	1925	31.12.1997 Income statement	2275
	4925		4925
31.12.1998 M. Disposals	1950	01.01.1998 Balance b/d	1925
31.12.1998 Balance c/d	1250	31.12.1998 Income statement	1275
	3200		3200
31.12.1999 Balance c/d	1275	01.01.1999 Balance b/d	1250
	1275	31.12.1999 Income statement	625
			1275

DR MACHINERY DISPOSAL A/c CR			
01/07/1997 Machinery	40,000	01/07/1997 cash	30,000
		31/12/1997 provision for depreciation	3,000
		31/12/1997 Loss on sales	7,000
	40,000		40,000
01/07/1998 Machinery	26,000	01/07/1998 cash	23,000
		31/12/1998 provision for depreciation	1,950
		31/12/1998 Loss on sales	1,050
	26,000		26,000

1 tick = 1 point
15 ticks = 15 points

15 points

07

DR

Machinery Account

1995		1995	
1/1 cash	40,000	31/12 Balance y/d	40,000
1996		1996	
01/01 Balance b/d	40,000	31/12 Balance y/d	66,000
01/07 cash	26,000		
	66,000	1997	
1997		01/07 M. Disposal	40,000
01/01 Balance b/d	66,000	31/12 Balance y/d	51,000
01/07 cash	25,000		
	91,000	1998	
1998		01/07 M. Disposal	26,000
01/01 Balance y/d	51,000	31/12 Balance y/d	25,000
	51,000		
1999		1999	
01/01 Balance b/d	25,000	31/12 Balance c/d	25,000
2000			
01/01 Balance b/d	25,000		

Depreciation table

Assets	Costs	1995	1996	1997	1998	1999	Disposal
Machinery 1	40,000	1000	1000	1000			3000
Machinery 2	26,000	-	680	650	650	-	1950
Machinery 3	25,000	-	-	625	625	625	
Total		1000	1650	2275	1275	625	

A and B

Memorandum Joint Venture Account				CR
01.07.1997 Purchases(A)	90,000	01.10.1995 sales	58,000	
Interest (A)	1,670	01.12.1995 sales	100,000	
cost of plan(B)	1,000			
Commission B	1,580			
31.12.1997 share of profit				
A. $(\frac{3}{4} \times 63,750) = 47,812.5$				
B. $(\frac{1}{4} \times 63,750) = 15,937.5$				
	63,750			
	158,000			158,000

A's Books

Joint Venture with B Account				CR
01.07.1997 Purchases	90,000	01.10.1995 sales	58,000	
Interest	1,670	01.12.1995 sales	100,000	
31.12.1997 share of profit	47,812.5			
Cash from B	18,517.5			
	158,000			158,000

B's Books

Joint Venture with A Account				CR
01.07.1997 cost of prepare plan	1,000	Cash to A	18,517.5	
Commission	1,580			
31.12.1997 share of profit	15,937.5			
	18,517.5			18,517.5
1 tick = $\frac{1}{2}$ point				
30 ticks = 15 points				

Working

1. Calculation of sales (A)

A and B, Plan of Land state that

1. $\frac{1}{3}$ of Land was left over public roads.

$$\frac{1}{3} \times 9000 = 3000 \text{ m}^2$$

$$\text{Land for public roads} = 9000 \text{ m}^2 - 6000 \text{ m}^2 = 3000 \text{ m}^2$$

2. Remaining Land divided into 6 plots of equal size.

$$\text{Remaining Land} = 9000 \text{ m}^2 - 3000 \text{ m}^2 = 6000 \text{ m}^2$$

$$\text{If you take } \frac{\text{Remaining Land}}{6 \text{ plots}} = \frac{6000 \text{ m}^2}{6} = 1000 \text{ m}^2$$

$\therefore$ In 6000 m^2 of Land there is 6 plots of 1000 m^2 .

01.10.1995: 2 plots of 1000 m^2 sold for Rs 30 each.

Stamp duty and Registration 1000 per plots
Paid by buyer.

$$\begin{aligned} \text{Sales} &= 2000 \times 30 = 60,000 \\ \text{Less } 1000 \times 2 &= 2,000 \\ \hline &58,000 \end{aligned}$$

01.12.1995: 4 plots of 1000 m^2 sold for Rs 25 each

$$\text{Sales} = 4000 \times 25 = 100,000$$

2. Calculation of Interest receivable (A)

Amount invested by A from 01.07.1995 to 01.12.1995

$$90,000 \times \frac{6}{100} \times \frac{5}{12} = 2,250$$

Amount payable by A from 01.10.1995 to 01.12.1995

$$58,000 \times \frac{6}{100} \times \frac{2}{12} = 580$$

$$\text{Interest Receivable} = 2,250 - 580 = 1,670$$

3. Calculation of commission (B)

$$\frac{1}{100} \times 158,000 = 1,580$$