

NAME:.....

ADM NO:.....

Candidates Signature:.....

Date:.....

DIPLOMA IN PROJECT MANAGEMENT
DIPLOMA IN BUSINESS MANAGEMENT
DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DIPLOMA IN FOOD AND BEVERAGE
CERTIFICATE IN BUSINESS MANAGEMENT
CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CERTIFICATE IN PURCHASING AND SUPPLIES

AR
CPA
ATD
DHC

Semester: Four 2017

OCTOBER -DECEMBER

Time: 1 HOUR



VISION EMPOWERMENT TRAINING INSTITUTE

Sunrays House, 4th floors
 Near Khoja Round about, opp.old
 Nation hse. Behind Fire Station,
 Tom Mboya Street
 www.veti.ac.ke

Branch Milele Centre, 2nd floor
 Behind Equity Bank ,Kitengela
 P.O. Box 10829-00400Nairobi
 Tel: 0720655582 /0710139458
 Email:visionpowerment2006@yahoo.com

C.A.T ONE

Unit: FINANCIAL ACCOUNTING/BOOK KEEPING

INSTRUCTIONS TO CANDIDATES

WRITE YOU'RE NAME AND INDEX NUMBER IN THE SPACE PROVIDED.

Answer **ALL** Questions

For Examiners Use Only

| Question | 1 | 2 | 3 |
|-------------------|----|----|----|
| Max score | 10 | 10 | 10 |
| Candidate's score | | | |

Candidate should check the question papers to ascertain all the pages and questions are printed as indicated and none is missing

QUESTION ONE (10 MARKS)

- a) Explain each of the following accounting concepts
- i. Historical concept
 - ii. Substance over form concept
 - iii. Money measurement concept
 - iv. Going concern concept (2 Marks)
- b) Here is the balance sheet of Kyangombe Traders at the close of business on 31 May 2003:

Kyangombe Traders
Balance Sheet as at 31 May 2003

| <i>Assets</i> | Ksh | <i>Capital & Liabilities</i> | Ksh |
|----------------|------------------|----------------------------------|------------------|
| KFixtures | 8,700.00 | Capital | 41,500.00 |
| Motor vehicles | 18,500.00 | Creditors | 2,500.00 |
| Stock of goods | 6,300.00 | | |
| Debtors | 2,400.00 | | |
| Cash at bank | 8,100.00 | | |
| | 44,000.00 | | 44,000.00 |
| | 44,000.00 | | 44,000.00 |

The following transactions occurred on 1 June 2003:

- i. Bought extra fixtures on credit for Ksh200.
- ii. Bought an extra motor van paying by cheque immediately for Ksh6,500.
- iii. Debtors paid us by cheque for Ksh900.
- iv. Paid to creditors by cheque for Ksh700.
- v. Brought in extra capital, paid into bank for Ksh2000.

- vi. Purchase of stock by cheque for Ksh300.
- vii. Purchase of stock on credit for Ksh800.

Prepare a statement of financial position as at 30th June 2003.

(8 Marks)

QUESTION TWO (10 MARKS)

a) Explain THREE purposes of bank reconciliation

(3 Marks)

b) The bank account and the bank statement of a business for the month of July 2011 are given below:

Bank

| 2011 | | Ksh | 2011 | | Ksh | | |
|------|----|-------------|--------|-----|-----|------------------------|--------|
| Jul | 2 | M Ma | 7,050 | Jul | 1 | Balance b/d | 900 |
| " | 5 | Cash sales | 310 | " | 8 | Purchases | 2,595 |
| " | 15 | I Ip | 375 | " | 12 | H Hui | 205 |
| " | 19 | Cash sales | 1,120 | " | 19 | Furniture and fittings | 110 |
| " | 30 | C Chan | 2,910 | " | 21 | P Poon | 7,955 |
| " | 31 | Balance c/d | 5,009 | " | 24 | K Kwan | 1,000 |
| | | | | " | 27 | Petty cash | 789 |
| | | | | " | 29 | Drawings | 2,570 |
| | | | | " | 30 | Rent | 650 |
| | | | 16,774 | | | | 16,774 |
| | | | 16,774 | | | | 16,774 |

Bank Statement

| 2011 | | <i>Dr</i> | <i>Cr</i> | <i>Balance</i> |
|------|----|------------------------------|-----------|------------------|
| | | Ksh | Ksh | Ksh |
| Jul | 1 | Opening balance | | 900 <i>Dr</i> |
| " | 3 | Cheque | | 6,150 <i>Cr</i> |
| " | 4 | Returned cheque — M Ma | 7,050 | 900 <i>Dr</i> |
| " | 5 | Deposit | | 590 <i>Dr</i> |
| " | 9 | XYZ Co | 310 | 3,185 <i>Dr</i> |
| " | 14 | Cheque | 2,595 | 205 <i>Dr</i> |
| " | 15 | Cheque | | 3,390 <i>Dr</i> |
| " | 15 | Standing order — Kowloon Ltd | 375 | 3,015 <i>Dr</i> |
| " | 15 | Standing order — Kowloon Ltd | 1,500 | 4,515 <i>Dr</i> |
| " | 18 | Direct debit — Electricity | 700 | 5,215 <i>Dr</i> |
| " | 19 | Better Furniture Co | 110 | 5,325 <i>Dr</i> |
| " | 21 | Deposit | | 4,205 <i>Dr</i> |
| " | 23 | Cheque | 1,120 | 12,160 <i>Dr</i> |
| " | 23 | Direct credit — Dividends | | 8,940 <i>Dr</i> |
| " | 23 | Direct credit — Dividends | 3,220 | 9,940 <i>Dr</i> |
| " | 24 | Cheque | 1,000 | 10,729 <i>Dr</i> |
| " | 28 | ATM withdrawal | 789 | 11,379 <i>Dr</i> |
| " | 31 | ABC Properties Ltd | 650 | 11,397 <i>Dr</i> |
| " | 31 | Overdraft interest | 18 | 11,397 <i>Dr</i> |

" 31 Closing balance

11,397 Dr

Required:

- a) Update the cash book. (4 marks)
- b) Draw up a bank reconciliation statement as at 31 July 2011 (3 Marks)

QUESTION THREE (10 MARKS)

| September 2005 | | Transactions | Amount (Ksh) |
|----------------|----|--------------------------------------------------------------|-----------------|
| | 1 | Proprietor put capital into a bank account for the business. | 94,000 |
| | 2 | Received a cheque from M. Bo. | 11,500 |
| | 4 | Cash sales. | 10,200 |
| | 6 | Paid rent by cash. | 3,500 |
| | 7 | Banked \$5,000 of the cash held by the firm. | 5,000 |
| | 15 | Cash sales paid direct into the bank. | 4,000 |
| | 23 | Paid a cheque to S. Wing. | 27,700 |
| | 29 | Withdrew cash from bank for business use. | 12,000 |
| | 30 | Paid wages in cash. | 11,800 |

Required; A balanced two column cash book.

END#