



UGANDA BUSINESS AND TECHNICAL EXAMINATIONS BOARD

Business and Humanities Certificate Examinations

NOV-DEC SERIES

PROGRAMME

NCAF, NCBA, NCPLM, NCCF, NCHIC, NCTHM, NCSOM, NCRIM, NCLIS, NCHRM,
NCPAM

PAPER NAME

BOOKKEEPING

PAPER CODE

NCBK111

YEAR I, SEMESTER I

2½ HOURS

THURSDAY, 12TH DECEMBER, 2019

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **two** sections **A** and **B**.
2. Section **A** is compulsory and carries **20** marks.
3. Section **B** consists of **six** questions. Answer only **four** questions from this section.
4. All questions carry equal marks.
5. All answers to each question should begin on a fresh page.
6. **Do not** write on the question paper.
7. All answers and rough work should be done in the official answer booklet provided.
8. Non-programmable electronic calculators may be used for this examination.
9. Read other instructions on the answer booklet.

SECTION A - (20 MARKS)

Answer all questions in this section

Question One

- (a) Define the term **Accounting**. (02 marks)
- (b) Outline **two** advantages of double entry system of bookkeeping. (02 marks)
- (c) State **two** types of balances used to prepare a trial balance. (02 marks)
- (d) The information below was extracted from the records of Kamili Ltd. Current Assets UGX 60,000; Current Liabilities UGX 40,000 and fixed capital UGX 112,000. Determine the company's working capital. (02 marks)
- (e) Differentiate between **Real accounts** and **Nominal accounts**. (04 marks)
- (f) Outline **two** advantages of the petty cash book. (02 marks)
- (g) State **two** documents that you would need to prepare a bank reconciliation statement. (02 marks)
- (h) State **two** accounting concepts you will use to maintain good accounting records. (02 marks)
- (i) State **two** uses of the trial balance. (02 marks)

SECTION B - (80 MARKS)

Answer only four questions from this section

Question Two

Suppose you were sent by the Town Clerk of your Town Council to sensitize the business community on bookkeeping after finding out that most traders don't keep proper Accounting records. Identify;

- (a) **Four** books that they will need to maintain in their businesses and their uses. (08 marks)
- (b) **Six** advantages that will accrue to their businesses by having the books mentioned in 2(a). (12 marks)

Question Three

- (a) State **two** source documents that you would require in the preparation of a cash book. (02 marks)
- (b) The following transactions were extracted from the books of accounts of Seremo Ltd for the month of December 2018.

December 1st Started business with cash at bank of UGX 100,000.

2nd Bought goods on credit from Phiona UGX 50,000.

4th Sold goods on credit to Martine UGX 60,000.

8th Cash sales UGX 30,000.

12th Paid Phiona UGX 50,000 by cheque less 10% cash discount.

14th Paid rent in cash UGX 4,000.

18th Bought a machine by cheque UGX 22,000.

22nd Withdrew UGX 30,000 for office use.

24th Cash sales paid direct into the bank UGX 50,000.

25th Cash purchases UGX 10,000.

26th Banked UGX 10,000.

28th Bought stationery by cheque UGX 40,000.

29th Bought more goods on credit from M. Geoffrey UGX 5,000.

31st Received cash from Martin UGX 40,000 less 10% cash discount.

Required:

- (i) Record the above transactions in a suitable cashbook. (16 marks)
- (ii) Show the discount Accounts in the General ledger. (02 marks)

Question Four

- (a) Explain **five** factors that may make a cheque to be dishonoured by the bank. (10 marks)
- (b) Amagoro SACCO Cashbook showed a debit balance of UGX 360,800 on March 31st 2019 whereas the bank statement showed a credit balance of UGX 493,200. On investigation, the following was revealed:
- Bank charges for the month were UGX 24,100.
 - Cheques for UGX 394,500 deposited on 31st March, 2019, were credited by the bank on 5th April, 2019.
 - A debtor remitted UGX 97,000 direct to Amagoro SACCO's bank account.
 - The bank paid UGX 80,000 to a landlord and UGX 20,000 to SWICO on behalf of Amagoro SACCO as per standing order.
 - A cheque for UGX 60,500 deposited on 23rd March, 2019, was returned unpaid by the bank.
 - Cheques amounting to UGX 614,500 issued did not appear in the bank statement.

Required: Prepare;

- (i) Adjusted cashbook. (06 marks)
- (ii) A bank reconciliation statement as at 31st March, 2019. (04 marks)

Question Five

- (a) Explain **four** errors that affect trial balance totals. (08 marks)
- (b) The books of Motomot Business Enterprises revealed the following errors on 31st December, 2018:
- (i) The sale of goods UGX 59,000 to Mugongocuma had been completely omitted from the books.
 - (ii) The goods bought from Samiri on credit for UGX 50,000 were credited in the account of Samiriti.
 - (iii) The purchase of a machine UGX 20,000 was debited to purchases account.
 - (iv) The sales account was overcast by UGX 20,000 so was the wages account.
 - (v) The purchase of goods on credit from Kwalaka at UGX 98,000 was entered both in the purchases account and in the personal account as UGX 89,000.

- (vi) A cheque paid to Obaka for UGX 20,000 was debited in the bank account and credited in Obaka's Account.

Required:

Show journal entries to correct the above errors (Ignore narrations). (12 marks)

Question Six

The information below was extracted from the records of Babu Company for the Year ended 31st December, 2018.

Particulars	Debit(UGX)	Credit(UGX)
Cash	40,000	
Bank	30,000	
Capital		302,000
Sales		120,000
Purchases	60,000	
Opening stock	35,000	
Machinery	90,000	
Furniture	100,000	
Rent	10,000	
Salaries	20,000	
Debtors	80,000	
Creditors		70,000
Stationery	6,000	
Electricity	8,000	
Drawings	9,000	
Insurance	4,000	
	<u>492,000</u>	<u>492,000</u>

Note closing stock was valued at UGX 22,000.

Required: Prepare;

- (a) Trading, profit and loss account for the year ended 31st December, 2018. (10 marks)
- (b) Balance sheet as at that date. (10 marks)

Question Seven

You are provided with the following assets and liabilities for KK Enterprises Ltd as at 31st August, 2019.

	UGX
Stock	380,000
Plant and Machinery	90,000
3 years bank loan	500,000
Building	200,000
Motor Vehicle	300,000
Debtors	70,000
Cash in hand	60,000
Creditors	120,000
Bank overdraft	140,000
Furniture and fixtures	800,000
Insurance outstanding	200,000
Rent paid in advance	100,000

Required: Compute the following;

- | | |
|-------------------------|------------|
| (i) Working Capital. | (05 marks) |
| (ii) Capital employed. | (04 marks) |
| (iii) Capital borrowed. | (03 marks) |
| (iv) Capital invested. | (04 marks) |
| (v) Total assets. | (04 marks) |

END