UGANDA INSTITUTE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY
END OF SEMESTER I YEAR 1 EXAMINATION ACADEMIC YEAR 2022/2023

DEPARTMENT	**:**	**MANAGEMENT**
YEAR OF STUDY	**:**	**ONE**
PROGRAM	**:**	**HEC-BUSINESS**
COURSE	**:**	**BASIC BOOKKEEPING SKILLS**
COURSE CODE	**:**	**HECB 113**
DATE	**:**	**SUNDAY, 19 MARCH, 2023**
TIME	**:**	**9:00-12:00 HOURS**
DURATION	**:**	**3HOURS**

INSTRUCTIONS:

i. This paper consists of **TWO** sections, **SECTION A & B**
ii. Answer **FOUR (4)** Questions in all.
iii. Question one, Section A is **COMPULSORY**, Answer **THREE** questions from **Section B**
iv. Credit will be given for the use of relevant examples and illustrations.
v. Mobile phones are **NOT** allowed in the exam room.
vi. **DO NOT** write anything on this question paper, rough work should be done in the answer booklet and cancelled through.
vii. Start a new number on a new fresh page.

SECTION A - (THIS SECTION IS COMPULSORY)

Question One

a) Define the term Book keeping. **(02 Marks)**

b) Give the meaning of the prime books of accounts. **(02 marks)**

c) Outline two uses of a general journal **(02 marks)**

d) Differentiate between Real Accounts and Nominal accounts. **(04 Marks)**

e) What is a stale cheque? **(02 Marks)**

f) Give any two reasons for dishonouring a cheque by the bank. **(02 Marks)**

g) Explain any two different methods of accounting you know. **(04 Marks)**

h) Distinguish between

i. Journal and ledger **(04 Marks)**
ii. balance sheet and trial balance **(04 Marks)**
iii. Give t**wo** balances used in the preparation of the Trial balance. **(02 marks)**
iv. Give two uses of the Trial balance **(02 marks)**

i) Outline **two** uses of double entry system of book keeping. **(02 marks)**

j) The information below was extracted from the records of KAMU Co.Ltd. Current Assets UGX 600,000; Current Liabilities UGX 400,000; Fixed Capital UGX 1,120,000. Determine the company's working capital. **(02 Marks)**

k) What do you understand by the word imprest system as used in Basic book -keeping? **(02 Marks)**

l) Outline **two** uses of double entry system of book keeping. **(02 marks)**

m) Mention **two** financial statements prepared by sole trade businesses. **(02 marks)**

SECTION B - (ANSWER ANY THREE QUESTIONS IN THIS SECTION)

Question Two

For Government and the citizens to benefit from the Parish Development Model (PDM) initiative, the intended beneficiaries must keep proper accounting records but unfortunately most of them lack knowledge of booking, however, they are happy to have you as a Financial Advisor in your home parish. The first task in this role is to educate beneficiaries of the PDM money on book keeping matters. As a Financial Advisor;

a) Explain to them the Four source documents needed to be kept by them in their business projects **(08 Marks)**

b) Identify for them the Fours books that they will need to maintain in their business. **(04 Marks)**

c) Give Six advantages and two disadvantages that will accrue to their business by having the books mentioned in b) above. **(08 Marks)**

Question Three

Write out the following transactions in the Triple column cash book of DAKS Ltd. 2022

Jan. 1	David commences his business with cash	=	Shs. 30000	
Jan 2	He pays into bank current account	=	Shs. 20000	
Jan. 3	He receive cheque from UICT on account	=	Shs. 1000	
Jan. 7	He pays UICT's cheque into bank	=	Shs. 1000	
Jan. 10	He pays Kato by Cheque	=	Shs. 1980	
	and receive discount	=	Shs 20	
Jan. 11	He receive cheque from Tom	=	Shs. 970	
	and allow him discount	=	Shs. 30	
Jan. 15	He makes sales for cash	=	Shs. 2000	
Jan. 17	Cash deposited into bank	=	Shs. 3000	
Jan. 19	He purchased a motor car by cheque	=	Shs. 6500	
Jan. 20	He purchased goods by cheque	=	Shs. 1500	
Jan. 22	He pays JAY traders in cash	=	Shs. 2000	
	and receives discount	=	Shs. 100	
Jan. 29	He withdraws from bank for office use	=	Shs. 500	
Jan. 30	He purchases furniture by cheque	=	Shs. 1200	
Jan. 30	Cheque received from Diana endorsed to Sam	=	Shs. 5000	**(20 Marks)**

Question Four

a) Recently during a workshop, the Mayor of Nakawa Division heard the presenter state that 'financial transactions must be posted through the books of prime entry…'

Required:

As an Accounts Clerk of at Nakawa Division, prepare a memo to the Mayor explaining:

(i) The meaning of the phrase "books of prime entry". **(04 Marks)**

(ii) Any **five** books of prime entry and the purpose of each book. **(10 Marks)**

b) State **three** accounting concepts you will use to maintain good accounting records. **(06 Marks)**

Question Five

Ms. Diana decided she is going to open a Books Store business called Dia Bookshop, which she did by investing Uganda shillings 200,000,000/= on 3rd March,2020. During the first month of Dia Bookshop's existence, the following transactions occurred:

i) On March 3rd 2020, Diana started business with UGX. 160,000,000/= cash at hand and UGX. 40,000,000/= cash at bank.
ii) On 4th March, she acquired stock in trade at UGX. 5,000,000/= paying 2,500,000/= cash and the remainder by cheque.
iii) On 6th March, she bought stock of goods worth UGX. 6,000,000/= on credit.
iv) On 10th March, she purchased a lorry from cash resources for UGX 32,000,000/=
v) March 12th, she sold half of the stock purchased on March 4th at UGX. 7,500,000/= on credit.
vi) March 15th, she paid UGX. 2,000,000/= cash to suppliers of the goods (creditors).
vii) On March 20th, she sold the remaining balance of stock she purchased on March 4th at UGX. 3,000,000/= cash.

viii) March 22nd, she received UGX. 3,500,000/= from debtors, paid water bills of UGX. 1,000,000/= cash and paid her salary UGX. 400,000/= cash.

ix) March 25th, she obtained a long term bank loan of UGX 10,000,000/= and deposited it on the business bank account.

x) March 28th, she used UGX. 1,500,000/= business cash to entertain her relatives from Masaka.

Required: Prepare

a) An accounting equation after each of the above transactions **(14 Marks)**

b) A balance Sheet **(06 Marks)**

Question Six

a) Define **Contra entry** as used in Book keeping. **(02 Marks)**

b) Write out the following transactions in the Triple column cash book of BAMU Enterprises Ltd. 2022 **(18 marks)**

Jan. 1	Sitaram commences his business with cash =	Shs.		30000
Jan 2	He pays into bank current account =	Shs.		20000
Jan. 3	He receive cheque from Kulwant rai on account =	Shs.		1000
Jan. 7	He pays Kulwant rai's cheque into bank =	Shs.		1000
Jan. 10	He pays Sharan by Cheque =	Shs.		1980
	and receive discount =	Shs		20
Jan. 11	He receive cheque from Wasim =	Shs.		970
	and allow him discount =	Shs.		30
Jan. 15	He makes sales for cash =	Shs.		2000
Jan. 17	Cash deposited into bank =	Shs.		3000
Jan. 19	He purchased a motor car by cheque =	Shs.		6500
Jan. 20	He purchased goods by cheque =	Shs.		1500
Jan. 22	He pays Jajoo traders in cash =	Shs.		2000
	and receives discount =	Shs.		100
Jan. 29	He withdraws from bank for office use =	Shs.		500
Jan. 30	He purchases furniture by cheque =	Shs.		1200
Jan. 30	Cheque received from sham endorsed to Ram =	Shs.	5000	

Question Seven

(a) Explain any **five** causes of the difference between the bank statement balance and the cash book balance **(10 marks)**

(b) The following cash book and bank statement for **UBK LTD** for the month of **September 2019**

Dr **CASH BOOK (BANK COLUMN)** **Cr**

			(SHS, 000)				(SHS. 000)
1/9/19	Bal b/d		80,000	7/9/19	Mukasa		32,000
2/9/19	John		60,000	8/9/19	Peter		40,000
10/9/19	XY LTD		24,000	11/9/19	Okurut		30,000
14/9/19	Twesigye		10,000	17/9/19	Bob		14,000
16/9/19	Tibaire		4,000	28/9/19	Jimmy		6,000
28/9/19	Stella		34,000	28/9/19	Harriet		4,000
30/9/19	Matte		13,000	30/9/19	Martin		2,000
30/9/19	Joel		2,000	30/9/19	Manda		1,000

					Simon		4,000
					Bal c/d		94,000
			227,000				**227,00**

BANK STATEMENT

		Dr (SHS. 000)	**Cr (SHS. 000)**	**Balance (SHS. 000)**
1/9/19	bal b/d			80,000
5/9/19	John		60,000	140,000
8/9/19	Mukasa	32,000		108,000
10/9/19	Peter	40,000		68,000
13/9/19	Okurut	30,000		38,000
14/9/19	XY LTD		24,000	62,000
16/9/19	Twesigye		10,000	72,000
18/9/19	Bob	14,000		58,000
20/9/19	C.M. Leon		18,000	76,000
25/9/19	S.O (UP & TC)	2,000		74,000
26/9/19	C.M (George)		16,000	90,000
30/9/19	Bank charge	200		89,800

C.M. = credit memo
S.O. = standing order
A cheque written to Jimmy on 28/9/19 and one received from Tibaire and banked on 16/9/19 were dishonoured by the bank.

Required:

(i) An adjusted cash book **(05 marks)**

(ii) **UBK LTD** bank reconciliation statement for the month ended 30/9/19 **(05marks)**

= GOOD LUCK=