FORM THREE
MARKING SCHEME ANNUAL EXAMS 2023
BOOK-KEEPING

1

i	ii	iii	iv	v	vi	vii	viii	ix	x
B	E	D	C	C	C	C	D	C	D

1 mark @ = 10 marks

2

i	ii	iii	iv	v
F	A	G	H	C

1 mar @ = 5 marks

3

Dr RENT ACCOUNT Cr

Date	Details	Amount	Date	Details	Amount
1/1/2021	Balance b/d pre paid	10,000	1/1/2023	Balance b/d arrears	5000
	Cash/Bank	50,000		Income statement	53000
31/12/2022	Balance c/d arrears	5000	31/12/2022	Balance c/d Prepaid	7000
		65,000			65000

10 marks @ 1.25

4 (a) Un presented cheque - This is the cheque paid to the person but has not presented for payment to the bank before the end of the month.

(b) Uncredited Cheque - is a cheque which the business has received and deposited into the bank but the bank has not yet completed clearing these cheque with the drawer's bank.

(c) Dishonored Cheque – A cheque refused to be paid by the bank or cheque for which the bank has refusal to make payment

(d) Bank reconciliation – A statement prepared for making agreement between the cash book and bank statement.

(e) Bank charges – is Amount of money Charged for the purpose of operating bank account or are charges Charged by the bank to its customer for the services rendered to them.

2 marks @ = 10 marks

5 Types of expenditure incurred.

(i) Revenue expenditure
(ii) Revenue expenditure
(iii) capital expenditure
(iv) Revenue expenditure
(v) capital expenditure

2 marks @=10 marks

6. Users of accounting information

(i) Owners of the business – They are interested in the information presented on the financial statements because it enables them to evaluate their busines with reference to targeted profit

(ii) Investors – Are interested in commiting their money to invest or purchase part of the whole business in order to benefit from the profit generated, then income statement will help them to evaluate the asility to make profit.

(iii) Tax inspectors – Tax inspectors uses the accounting information to determine the amount of tax to be charged on the business

(iv) A prospective buyer – They are interested to know the continuity of operations of the entity and regular supply of goods or services

(v) A prospective partner – Are interested to see the financial information in order to determine whether to join the busines or not.

2 marks @ = 10 marks

SECTION C

7.

Dr

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
1/1	Balance b/d		40,000	30,000	5/1	Purchases		18000	
3/1	Sales			9000	11/1	Zulkifli	600	10,000	9,400
8/1	Farooq	300		19300	17/1	Adnan	1000	3900	
20/1	Mu Asmaa	500		7500	21/1	Cash "c"			5000
15/1	Mastara	200		9800	22/1	Bank "c"		3000	
21/1	Bank "c"		5000						
24/1	cash "c"			3000					
					31/1	Balance c/d		10,100	64200
			45000	78600				45000	78600

Cr

0.66 marks @ = 15 marks

IN THE BOOK OF KABOKA LTD

MACHINERY ACCOUNT

(i)

DR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
1/1/2020	Cash/Bank	500,000	1/1/2020	Balance c/d	500,000
1/1/2021	Balance b/d	500,000	31/12/2021	Balance c/d	1,500,000
1/7/2021	Cash/Bank	600,000			
1/7/2021	Cash/Bank	400,000			
		1500000			1,500,000
1/1/2022	Balance b/d	1,500,000	1/10	Disposal	600,000
				Balance c/d	900,000
		1,500,00			1,500,00
1/1/2023	Balance b/d	900,000			

PROVISION FOR DEPRECIATION

(ii)

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
31/12/2020	Balance c/d	50,000	31/12/2020	Income statement	50,000
			1/1/2021	Balance b/d	50,000
31/12/2021	Balance c/d	150,000		Income statement	100,000
					150,000
		150,000			
1/7/2021	Disposal (Machine)	75,000	1/1/2022	Balance b/d	150,000
31/12/2021	Balance c/d	210,000		Income statement	135,000
		285000			285,000
			1/1/2023	Balance b/d	210,000

(122) MACHINE DISPOSAL ACCOUNT

Dr | Cr

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
2017	Machine	609000	2017	Provision for Depreciation	75,000
				Cash	420,000
				Loss	105,000
		609000			609000

9. WORKING

SALES CONTROL ACCOUNT

Dr | Cr

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
	Balance b/d	99000		Cash / Bank	900,000
	Credit sales	919,800		Balance c/d	118,800
		1,018,000			1,018,000

PURCHASES CONTROL ACCOUNT

Dr | Cr

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
	Cash	648,000		Balance b/d	36,000
	Balance c/d	58,500		Credit Purchases	670,500
		706,500			706500

RATES ACCOUNTS

Dr | Cr

Cash / Bank	22,500	Income statement	27,000
Balance owed c/d	4500		
	27,000		27000

) INCOME STATEMENT AS AT 31st DECEMBER 2020

Details	Amount	Amount
		919,800
Sales		
Cost of goods sold		
Opening stock	143,1000	
Add Purchases	670,000	
Cost of goods available for sale	813 600	
Less Closing Stock	153 000	
Cost of goods Sold	660,600	
		259200
Gross profit		
Expenses	27000	
Rates	16200	
Sundry expenses	7200	
Depreciation		
Total expenses	50,400	
Net profit		~~208800~~ 208800

Depreciation
Non-current Asset
Furniture 72,000
64,800
7200

∴ Depreciation of Furniture = 7,200

(22) STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2020

	Amount	Amount
Non-current Asset		64800
Furniture		
Current asset		
Stock	153000	
Debtor	118800	
Cash	900	
Bank	247,500	
Total Current Asset	547,200	
Total Asset		612,000
Current liability		
Creditor	58,500	
Rate accrued	4,500	
Total current liability	63 000	
Working capital		484200
Capital employed		549000
Financed by		
Capital	387000	
Add net profit	208800	
	46800	
Less Drawing		549000