

Q2.

THE FOLLOWING INFORMATION BELONGS TO Langas CLUB

Receipts and Payments account for year ending 31/12/2020

Receipts	Receipt	Payments
Balance as at 1/1/2021	240	wages 2000
Entrance fee	40	stationery 400
Subscriptions	3,320	printing 300
Locker rent	80	new equipment 200
		Loss on refreshment 120
		Balance c/f <u>660</u>
		3680

Additional information

1. Subscription shs 200 were in arrears and unpaid
2. Locker rent shs 20 were due and unpaid
3. The club owned club premises of shs 10,000
4. It also owned clubs equipment shs 2,500
5. The printers were owed shs 40

Required

Income and expenditure and balance sheet for Langas club for 2020

(20 Marks)

Q3.

Write brief notes on the following terms

- a) Direct and indirect material (4 Marks)
- b) Prime and production cost (4 Marks)
- c) Receipt and payment account and income and expenditure account (4 Marks)
- d) Carriage inward and carriage outward (4 Marks)
- e) Return inward and return outward (4 Marks)

Q4.

a) From the following data, compute the profit

Opening capital	Sh 500,000
Closing capital	Shs 700,000
Drawing	Shs 100,000
Additional capital	120,000

(5 Marks)

b) the following data is extracted from the books of Kimani

Opening debtors	110,000
Closing debtors	80,000
Closing creditors	90,000
Opening creditors	50,000
Cash received from debtors	60,000
Cash paid to creditors	30,000

Determine

Sale on credit and purchase on credit

(5 Marks)

c) pass journal entries

- i) A lorry was bought for KShs 10,000 and posted to ordinary purchase account instead of lorry account **(2 Marks)**
- ii) Mr b boyo paid his debt of 5,000 but the amount was credited to p .boyo account **(2 Marks)**
- iii) An invoice for Shs 210 issued to Ruto ledger as 1220 **(2 Marks)**
- iv) Return inwards account was overcast by Shs 250 **(2 Marks)**
- v) A cheque for Shs, 720 received from Rono was entered in the cash book but not posted to his personal account. **(2 Marks)**

END