

THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

SEPTEMBER - DECEMBER 2023

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SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING AND FINANCE

ORDINARY DIPLOMA IN BUSINESS MANAGEMENT

CAD 072: FUNDAMETAL OF ACCOUNTING

DATE: DECEMBER 2023	Duration: 2 Hours		
INSTRUCTIONS: Answer Question ONE and any other TWO Questions			
01.			

a) Discuss the errors that cannot be revealed by a trail balance. (10 Marks)

b) The following data belongs to a shoe manufacturing company as at 31/12/2021

Sales finished goods	40,000
Return inward finished goods	2,000
Purchases raw material	16.000
Return outward raw material	500
Stock as at 1/1/2021: raw material	2,000
Work in progress	3,000
Finished	2,000
Factory wages and salaries: direct	8,000
: indirect	2,000
Factory overhead costs: fuel	1,000
I,rates ,insurance	700
: Depreciation	1,000
Stock as at 31/12/2019: raw material	1,000
: work in progress	4,000
: finished goods	1,000

Required

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 o	n refreshment	120
	Balance	c/f	660
			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 flowing terms

a)	Direct and ind	lirect material		(4 Marks)
b)	Prime and pro	duction 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)

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