



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

JANUARY – APRIL 2019 TRIMESTER

FACULTY OF ARTS AND SOCIAL SCIENCES

DEPARTMENT OF DEVELOPMENT STUDIES

REGULAR PROGRAMME

SDS 408: FINANCIAL ACCOUNTING

Date: APRIL 2019

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

- Q1. a) Differentiate between the following concepts
- a) Financial accounting and managerial accounting **(5marks)**
 - b) Current and Non-Current assets **(5marks)**
- b) Discuss the relevance of Financial accounting to a student pursuing development studies **(10marks)**
- c) Customers, Suppliers, Lenders and Investors are some of the key consumers of financial information. Explain how each benefits from such statements. **(10marks)**
- Q2. With relevant examples, discuss the four books of original entry **(20marks)**
- Q3. On April 1, 2017, Hassan Sajjad Store Cash Book showed debit balances of Cash Ksh. 1,550 and Bank Ksh. 13,575. During the month of April following business was transacted. You are required to prepare Cash Book?

April 2017

- 02** Purchased Office Type-Writer for Cash Ksh. 750; Cash Sales Ksh 1,315.
- 07** Deposited Cash Ksh. 500 to bank.
- 10** Received from A. Hussain a check for Ksh. 2,550 in part payment of his [account](#) (not deposited).
- 16** Paid by check for merchandise purchased worth Ksh 1,005.
- 20** Deposited into Bank the check received from A. Hussain.

- 22 Received from customer a check for Ksh 775 in full settlement of his accounts (not deposited).
 - 24 Sold merchandise to sweet Bros. for Ksh 1,500 who paid by check which was deposited into bank.
 - 26 Paid creditor a Salman Ksh. 915 by check.
 - 28 Deposited into Bank the check of customer of worth Ksh. 775 was dated 22nd April.
 - 29 Paid wages by cash Ksh. 500 and salary Ksh. 1,000 by bank.
 - 30 Drew from Bank for Office use Ksh. 250 and Personal use Ksh. 150.
- (20marks)**

Q4. Write notes on liabilities, Capital expenses and Revenue **(20marks)**

Q5. With the aid of practical examples, discuss any four qualities of a good accounting information. **(20marks)**

END