

FACULTY OF BUSINESS AND MANGEMENT

PRE-FINAL EXAM (FINANCIAL ACCOUNTING)

TIME: 2HRS: 30MINS

INSTRUCTIONS

ATTEMPT ANY FOUR NUMBERS OF YOUR CHOICE.

EACH NUMBER CARRIES 25 MARKS.

QUESTION ONE

Enter the following transactions into the general journal properly showing the double entry. The transactions are for PTC Ltd for the month of Jan 2012

date	Transition
Jan 1	Bought goods on credit from peter 400,000
2	Bought goods on credit from Jane for 200,000
3	Sold goods to john on credit for 1,000,000
4	Sold goods to Mary on credit for 400,000
5	Returned goods worth 50,000 to peter because they were defective
6	Received part payment of 800, 0000 cash from john for goods taken on credit.
7	Made part payment to peter 80,000
8	Purchased goods for 60,000 on credit from Jane
9	Mary rejected and returned goods worth 40,000

10	Received a cheque of 150,000 from Mary as part payment for goods taken on credit.
11	Paid rent 100,000
12	Returned goods worth 50,000 to Jane because they were defective
13	Paid Jane by cheque 150,000
14	Sold goods to John on credit for 800,000
15	Bought goods for 100,000 paying cash
16	Sold goods cash 500,000
17	Sold goods for 4,000,000 receiving payment by cheque immediately
18	Purchased goods for 100,000 from Peter on credit
19	Paid Peter 80,000 cash
20	John rejected and returned goods worth 100,000
22	Received a cheque of 200,000 from John for goods sold to him on credit
23	Paid for electricity 50,000 by cheque and 100,000 cash
24	Paid rent 60,000 by cheque
25	Paid salaries 150,000 cash and 160,000 by cheque

QUESTION TWO

- a) Discuss the various accounting concepts/principles used by financial managers while preparing financial statements.
- b) Under normal circumstances cash book and bank balances ought to agree, however, they often differ and this necessitates bank reconciliation. State and explain reasons for discrepancies between cashbook and bank statement balances.

- c) “the try balance helps to check arithmetic accurency and compliance with the principle of double entry system” state and explain accounting errors that cannot be detected by the trial balance

QUESTION THREE

- a) Briefly explain why a cash book is said to be both a journal as well as a ledger
- b) The following information pertains to mafutamangi’s business by the end of 31may 2012, the following were the cashbook balances

Cash	shs. 5,000,000
Bank (credit balance as per cash books)	shs. 3,300,000

The following transactions occurred during the month of june 2012

June 1	Bought goods on credit for shs 6.500.000
June 2	Sold goods on credit for shs 8.000.000
June 3	Received a cheque of shs 5.000.000 from a debtor and banked it
June 4	Paid creditors shs 1.500.000 cash and shs 500.000 by cheque
June 5	Rejected and returned goods worth shs 300.000 to a creditor
June 6	A debtor rejected and returned goods worth 100.000
June 7	Banked shs 1.500.000 cash
June 8	Paid rent cash shs 400.000 and shs 800.000 by cheque and electricity shs 250.000 cash
June 9	Withdrew shs 1.000.000 from the bank and put it into the cash box for payment of cash expenses
June10	Paid shs 2.000.000 by cheque in respect of retiring the loan
June12	Fearing the consequences of the land bill. He sold land inherited from his ceremony and the rest of the money he put into his

	business.
June13	Received cash of shs 100.000 And a cheque of shs 2.000.000 from a debtor and banked both cash and cheque.
June14	Used business cash of shs 300.000 for a social evening with his friends at ambience club.

Required;

Prepare mafutamingi's cash book for the month of June 2012.

QUESTION FOUR

Muteesa 1 Royal University has a business arm to generate other income to support its operations. The following were the closing balance as at 31st December 2023.

DETAILS	IN MILLION UGANDA SHIILINGS
CASH	14.0
ACCONUNT RECEIVABLE	32.8
ACCOUNTS PAYABLE	13.4
MERCHANDISE INVENTORY	22.7
FURNITURE AND FITURES	8.1
CAPITAL	20.0
PREPAID RENT	2.1
SALES	207.9
PURCHASES	51.0

SALARIES	62.3
TRANSPORT	42.1
UTILITIES	6.2

- a) Prepare a trial balance for the business.
- b) Prepare an income statement and determine the gross profit and the net profit or loss.

QUESTION FIVE

The following transactions relate to the business of kundi show traders for the month of June 2023. Use it to open a two column cash book well balanced.

June 2023

1	Commenced business with cash	120.000
3	Bought goods for cash	30.000
4	Cash sales immediately banked	70.000
6	Paid rent	60.000
7	Cash sales	110.000
12	Banked cash	80.000
14	Sales by cheque	130.000
17	Withdrew cash from bank for office use	40.000
18	Paid electricity by cheque	30.000
22	Bought more gods by cheque	21.000
29	Withdrew cash from bank for private	20.000

	use	

QUESTION SIX

The following is a summary of kololo high school for the month of October 2023.

The cash float was shs 400.000

OCT 2023

1	School bus expenses	20.000
3	Travelling expenses	10.000
4	Stationary items	18.000
7	Travelling	12.000
9	Repairs to school bus	15.000
12	Cleaning expenses	11.000
13	Petrol for school bus	13.000
17	Travelling expenses	19.000
20	Bought four reams	5.000
26	Cleaning	14.000
27	Bought omo detergent	19.000
28	Travelling	30.000
29	Petrol expenses	40.000

Required:

Prepare the petty cash book of Kololo high school

QUESTION SEVEN

Mukisa is a sole trader who set up his business in Kisenyi. The following were transactions that took place in month of January. Amounts are in UGX.

- i. Started business in cash of 10, 000, 0000 and cash at bank of 20,000,000.
- ii. Purchased stock of goods on credit of 3,000,000.
- iii. Bought a motor vehicle for business operations using the cash at bank of 2,000,000
- iv. Sold goods to James for 600,000 cash which had cost him 500,000.
- v. Paid the shopkeeper 50,000 cash as salary.
- vi. Bought more stock of goods for 500,000
- vii. Used business cash of 300,000 to buy for his wife and children Christmas clothes.

Required:

Construct accounting equation for each of the transactions above and extract a simple SOFP at the end.

“SUCCESS IS THE RESULT OF PERFECTION, HARD WORK, LEARNING FROM FAILURE,LOYALTY AND PERSISTENCE”.