



College of Human Resource Management
National Bank Building; 20th Floor
Harambee Avenue
P. O. Box 4322 - 00200 Nairobi, Kenya
Telephone: +254 20 2217490; +254 20 2248095
Email: info@chrn.ac.ke
Website: www.chrm.ac.ke

CLASS: CHRM MODULE 2
SUBJECT: BOOK KEEPING AND ACCOUNTS
SIT IN CAT 1
TIME: 2 HOURS
DATE: 18TH MARCH 2014

INSTRUCTIONS: ANSWER ALL QUESTIONS

1. The following transactions are from the books of Kidogo for the month of February 2014.

Feb 1 Started business with Kshs 200,00 in the business bank account

3 Bought goods with Kshs 80,000 by cheque

10 Bought furniture kshs 55,000 by cheque

15 Sold goods Kshs 28,000 by cash

24 Sold goods Kshs 56,000 to Jecinta on credit

26 Bought goods of Kshs 120,000 from Bowa on credit

28 Jenifa returned goods worth Kshs 16,000

28 aid Bowa Kshs 96,000 by cheque

- a) Enter the transactions above in the relevant account
- b) Extract a trial balance as at 28 February 2014.

2. The following trial balance was extracted from the ledger of Tamaa on 31 December 2013

	Sh	Sh
Capital		4,000,000
Purchases	2,615,400	
Sales		3,624,600
Salaries	481,400	
Inventory	430,700	
Insurance	82,000	
Rent		96,500
Buildings	2,500,000	
Furniture	1,450,000	
Accounts payable	463,800	
Commission	<u> </u>	<u>94,600</u>
	<u>8,279,500</u>	<u>8,279,500</u>

Additional information

- I. Salaries due was Sh 35,000
- II. Insurance was paid for upto 31 March 2014
- III. Rent received for January 2014 was Sh 16,500
- IV. Commission accrued but not yet received was Sh 12,000
- V. 5% of accounts receivable are doubtful
- VI. Inventory on 31 December 2013 was Sh 500,800

Prepare:

- a) The income statement for the year ended 31 December 2013
- b) The statement of the financial position as at 31 December 2013