

UGANDA TEACHERS' EDUCATION
CONSULT (UTE/C)
UGANDA CERTIFICATE OF EDUCATION
2011 PRINCIPLES OF ACCOUNTS
MARKING GUIDE

SECTION A (20 MARKS)

- | | |
|-------|-------|
| 1. C | 11. A |
| 2. B | 12. C |
| 3. D | 13. A |
| 4. D | 14. D |
| 5. A | 15. B |
| 6. D | 16. C |
| 7. D | 17. A |
| 8. B | 18. B |
| 9. D | 19. D |
| 10. C | 20. C |

SECTION B (20 MARKS)

- 21 a) Five circumstances under which the bank may honour a cheque.
- When the account holder has sufficient funds to the cheque amount.
 - when the specimen signature is similar ~~with~~ that on the cheque
 - when it is not stale
 - when it is not post dated
 - when the amount in words corresponds with the amount in figures.
 - when it has no alterations

Any 5x1 @ = 05 MARKS

**T. SANKO'S
UPDATED CASH BOOK
AS AT 31ST MAY 2015**

DR	2015	Shs	2015	Shs	CR
	MAY 31. Bal. b/d	6,400,000 ✓	MAY 31. Bank charges	370,000 ✓	
" "	Undercast (Deposit)	750,000 ✓	" "	Dishonoured Cheque	5,000,000 ✓
" "	Direct Credit transfer	250,000 ✓	" "	Standing order (Insur.)	3,000,000 ✓
" "	Bal. c/d	970,000 ✓			
		<u>8,370,000</u>			<u>8,370,000</u>

JUNE 1. Bal. b/d 970,000 ✓

9x1@ = 09 MARKS

**T. SANKO'S
BANK RECONCILIATION STATEMENT
AS AT 31ST MAY 2015 ✓**

Cr.	Shs	Shs
Bal. as per adjusted cash book	970,000 ✓	
Add uncredited Cheque	890,000 ✓	
		1,860,000 ✓
Less Unpresented cheque		3,500,000 ✓
Over draft as Per Bank Statement		<u>1,640,000 ✓</u>

6x1@ = 06 MARKS

22 a) Four sources of income to a non-trading organisation.

- Donations
- Membership fees
- Subscriptions
- Sale of refreshments
- Lottery / Raffles / Draws
- Dance tickets / Gate collections

Any 4x1 @ = 04 MKS.

b) i) Accumulated Fund = Assets - Liabilities
 = (Bal. b/f + stock + subscriptions in arrears + Equipment) - (subscriptions in advance + Sundry expenses)

$$= (770,000 + 90,000 + 55,000 + 220,000) -$$

$$(20,000 + 40,000)$$

$$= 315,000 - 60,000$$

$$= \text{Shs } 305,000$$

Any 2x1/2 @ = 02 MKS

ii)

BULLS RUGBY CLUB

REFRESHMENTS TRADING ACCOUNT

FOR THE PERIOD ENDING 31-12-14 CR

	Shs	Shs		Shs
Opening stock	90,000		Sales	2,300,000
Add Purchases	810,000			
GAS	900,000			
Add Wages	670,000			
COGAS	1,570,000			
Less closing stock	110,000	1,460,000		
CO.S		840,000		
Gross profit c/d		2,300,000		2,300,000

Any 2x1/4 = 02 MKS

BULLS RUGBY CLUB'S
INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDING 31-12-14

DR	Shs	Shs	Shs	CR	Shs	Shs	Shs
Rent & Rates		675000 ✓		Bar profit			840000 ✓
Postage & Stationery		230000 ✓		Subscriptions	1350000 ✓		
Loan Interest		45000 ✓		Add Advance	20000 ✓		
Sundry Exp.	723000 ✓			Due (end)	40000 ✓		
Add Due (end)	60000 ✓					1410000 ✓	
	783000 ✓			Less Due (start)		55000 ✓	
Less Due (start)	40000 ✓						1355000 ✓
	743000 ✓			Donations			110000 ✓
Depreciation (Equipment)	1382000 ✓			Deficit			770000 ✓
Total Expenditures	3075000 ✓						3075000 ✓
	3075000						3075000

20 x 0.4 @ = 08 MKS

BULLS RUGBY CLUB
BALANCE SHEET
AS AT 31-12-14

	Shs	Shs	COST	DEP	N/BV
Accumulated Fund	3055000 ✓		Sports Equip. 3932000 ✓	1382000 ✓	2550000 ✓
Less Deficit	770000 ✓		CURRENT ASSETS		
	2285000 ✓		Stock	110000 ✓	
Add Gift (Uniforms)	225000 ✓		Bank	320000 ✓	
	2510000 ✓		Subscriptions		
Loans	450000 ✓		Arrears	40000 ✓	
CURRENT LIAB:			TCA		470000 ✓
Subscriptions in Advance	20000 ✓				
Sundry Exp. due	40000 ✓				
	60000 ✓				
	3020000 ✓				3020000 ✓

16 x 1/4 @ = 04 MKS

24. 2008 MAR 2005

ZOLO & SONS ENTERPRISES
TRADING & PROFIT & LOSS ACCOUNT
FOR THE PERIOD ENDED 31-12-14

	shs	shs	shs	shs	shs
Open Stock		41000		Sales	4,825,000
Add Purchases	2,615,000			Less R.V.M	63,000
Less R.O.W	57,400			Net Sales	4,762,000
Net Purchases	2,557,600				
G.A.S	2,598,600				
Less closing stock	25,000				
Cost of Sales		2,573,600			
Gross Profit c/d		2,188,400			
		4,762,000			4,762,000
<u>OPERATION EXPENSES</u>				Gross Profit b/d	2,188,400
Discount Allowed	28,600			Discount Received	31,700
Repairs	52,000			Rent income	16,000
Add Due	8,000			Add Due	60,000
		60,000			22,000
Water		33,000			
Salaries & wages		2,70,000			
Insurance	45,000				
less prepaid	3,000				
		42,000			
Stationery		22,000			
Sundry Expenses		16,000			
Provision for Bad debts	1,550				
Depreciation:					
Machinery		23,000			
Furniture		20,500			
Total operation Expenses		5,16,650			
Net Profit c/d		1,923,450			
		2,440,100			2,440,100

32 X 0.4 @ = 12 MUGS

115

ZOLO AND SONS
BALANCE SHEET
AS AT 31-12-14

	Shs	Shs	Shs	COST	DEP.	NBV	
Capital	2917300			FIXED ASSETS (Shs)		(Shs)	
Add Net Profit	1923450			Buildings	3940000	-	3940000
11240	4840750			Machinery	230000	23000	207000
Less Drawings	120000			Furniture	410000	20500	389500
Owner's Equity		4720750		Total Fixed Assets		4536500	
CURRENT LIABILITIES				CURRENT ASSETS			
Bank overdraft	118500			Stock		25000	
Creditors	125000			Debtors	331000		
Repairs due	8000			less Prov.			
Total Current Liab.	251500			for B/Debt	16550	3	
					314450		
				Cash	33300		
				Prepaid Insurance	3000		
				Rent income due	6000		
				Total Current Assets		435750	
		4972250				4972250	

26 x 0.3 @ = 08 mcs

25.

ZIGIDO'S
SALES LEADER CONTROL ACCOUNT
FOR THE MONTH OF APRIL 2015

DR	Shs	CR	Shs
Balance b/f	162000	Balance b/f	25000
Dishonoured cheques	7420	Returns Inwards	16200
Credit sales	198750	Bad debts w/o	3380
Balance c/d	5750	Receipts from debtors	205680
		Discount Allowed	9600
		Contra	6500
		Balance c/d	107590
	<u>373920</u>		<u>373920</u>
Balance b/d	107590	Balance b/d	5750

11 x 1 @ = 11 MARKS

ZIGIDO'S
PURCHASES LEADER CONTROL ACCOUNT
FOR THE MONTH OF APRIL 2015

DR	Shs	CR	Shs
Balance b/f	15000	Balance b/f	135000
Payments to Creditors	168750	Purchases	202500
Returns outwards	5600	Purchases undercast	4500
Discount received	8000	Balance c/d	4050
Contra	6500		
Balance c/d	142200		
	<u>346050</u>		<u>346050</u>
Balance c/d	4050	Balance b/d	142200

09 x 1 @ = 09 MARKS

DATE	PARTICULARS	DR (Shs)	CR (Shs)
2013	Drawings Account	7000	
Dec-31	To Cash Account		70000

26 a)

- cash book ✓ ^{1/2}: A subsidiary book used to record cash receipts and payments ✓ ^{1/2}
- Sales Journal ✓ ^{1/2}: A subsidiary book that records details and amounts of goods sold on credit ✓ ^{1/2}
- Purchases Journal ✓ ^{1/2}: A subsidiary book that records details and amounts of goods purchased on credit ✓ ^{1/2}
- Sale Return Journal ✓ ^{1/2}: A subsidiary book that records details and amounts of goods returned by the business debtor ✓ ^{1/2}
- Purchases Return Journal ✓ ^{1/2}: A subsidiary book that records details and amounts of goods returned by the business to its creditors ✓ ^{1/2}
- Main/General Journal ✓ ^{1/2}: A subsidiary book that records ~~and amounts of~~ ^{details} goods transactions that can not specifically and conveniently recorded in any other subsidiary book.

Any 5x1 @ = 05 MARKS

b)
i)

KAMURU'S
MAIN JOURNAL ✓
AS AT 31-12-2013

DATE	PARTICULARS	DR (Sh)	CR (Sh)
2013	Drawings Account	70000 ✓	
Dec 31.	TO Cash Account		70000 ✓
	Error of omission now rectified		

Kabiswa's Account	450,000 ✓	
To Suspense Account		450,000 ✓
Undercast in Kabiswa's Account, now rectified		
Suspense Account	100,000 ✓	
To Returns outwards Accounts		100,000 ✓
Returns outwards undercast, now rectified		
Ouma Suspense Account	225,000 ✓	
To Ouma's Account		225,000 ✓
Single Entry error, now rectified		
Computer Account	250,000 ✓	
To purchases		250,000 ✓
Error of principle, now rectified		

11 x 1 @ = 11 MARKS

ii)

KAMARU'S SUSPENSE ACCOUNT AS AT 31-12-13			
	Shs		CR
Balance b/d	125,000 ✓	Kabiswa's A/c	450,000 ✓
Returns outwards A/c	100,000 ✓		
Ouma's A/c	225,000 ✓		
	<u>450,000</u>		<u>450,000</u>

5 x 1 @ = 05 MARKS

23 a) Five reasons for imposing taxes in my country.

- To raise government revenue
- To protect infant-domestic industries
- To inflation
- To reduce/curb income inequality
- To stop/prevent importation of undesirable goods
- To maintain a favourable balance of payments
- To control monopoly.

Any 5x1@ = 05 MARKS

b) Customs Value = C.I.F x exchange rate

$$= 5000 \times 2970$$

$$= \text{UG shs. } 14,850,000$$

i) Import duty = Customs Value x duty rate

$$= 14,850,000 \times \frac{25}{100}$$

$$= 14,850,000 \times 25$$

$$= \text{Shs } 3,712,500$$

(03 MARKS)

ii) Excise duty = (Customs value + Import duty) x rate

$$= (14,850,000 + 3,712,500) \times \frac{15}{100}$$

$$= 18,562,500 \times \frac{15}{100}$$

$$= \text{Shs } 2,784,375$$

(03 MARKS)

iii) VAT = (Customs value + Import duty + Excise duty)

$$= \frac{(14,850,000 + 2,784,375 + 3,712,500) \times 18}{100}$$

$$= \frac{21,346,875 \times 18}{100}$$

$$= 3,842,437.50$$

$$= \text{Shs } 3,842,437.5 \quad (03 \text{ marks})$$

iv) Withholding tax = Customs value \times rate

$$= 14,850,000 \times \frac{6}{100}$$

$$= 14,850,000 \times 0.06$$

$$= \text{Shs } 891,000 \quad (03 \text{ marks})$$

v) Total tax payable = Import duty + Excise duty + VAT + Withholding tax

$$= 3,712,500 + 2,784,375 + 3,842,437.5$$

$$+ 891,000 =$$

$$= \text{Shs } 10,339,312.5 \quad (03 \text{ marks})$$