

KENYA SCHOOL OF LAW



EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

ATP 106: LEGAL PRACTICE MANAGEMENT

TUESDAY 26TH NOVEMBER, 2013

DURATION: 3 HOURS

Instructions to Candidates

- (a) Candidates should answer FOUR Questions
- (b) Answer **ONE question from each of the THREE sections** and a **FOURTH question from any section**
- (c) All questions carry 15 marks each.
- (d) Marks shall be lost for illegibility

PLEASE TURN OVER

SECTION 1: COMMERCIAL ACCOUNTS

QUESTION ONE

- (a) Clearly explain the usefulness of accounting to practicing advocates **(5 Marks)**
- (b) The following is a trial balance extracted from the books of Otieno and Kioko, a firm of practicing advocates as at 31 October 2012:

Otieno and Kioko Advocates
Trial balance
As at 31 October 2012

| | Sh. | Sh. |
|----------------------------------------------|----------------|----------------|
| Capital account | | 204,000 |
| Disbursements on behalf of clients | 12,000 | |
| Drawings | 60,000 | |
| Salaries | 72,000 | |
| Rent and rates | 60,000 | |
| Printing and stationery | 35,000 | |
| Postage and telephone | 18,000 | |
| Costs charged to clients | | 250,000 |
| Work in progress on 1 November 2011 | 36,800 | |
| Clients: for the moneys held on their behalf | | 24,800 |
| Creditors | | 27,200 |
| Debtors | 78,000 | |
| Sundry office expenses | 8,500 | |
| Furniture, fittings and library books | 45,000 | |
| Cash at bank: | | |
| Clients' account | 24,800 | |
| Office account | <u>55,700</u> | |
| | <u>506,000</u> | <u>506,000</u> |

Additional information:

- The uncompleted work on 31 October 2012 was valued at Shs.23,500
- It is estimated that debts amounting to Sh. 5,500 are uncollectible and should be written off.
- Depreciation should be provided at 20% per annum on the book value of the furniture, fittings and library books

Required:

- (i) Income and expenditure account for the year ended 31 October 2012. **(5 marks)**
- (ii) Balance sheet as at 31 October 2012. **(5 marks)**