

THE KENYA SCHOOL OF LAW

122 MAR 2019



KENYA SCHOOL OF LAW
TOWN CAMPUS LIBRARY

DIPLOMA IN LAW (PARA-LEGAL STUDIES)

1ST YEAR TERM III EXAMINATION

BOOK KEEPING & ACCOUNTING 1 (DPS-108)

1ST APRIL 2019

DURATION: 2 HOURS

Instructions to Candidates

- (a) Answer Question ONE and ANY OTHER THREE Questions
- (b) Question ONE carries 25 Marks
- (c) All other questions carry 15 Marks each
- (d) Show All your workings

PLEASE TURN OVER

Question One

a) Madam Awino's trial balance for the year ended 31/12/18 is as follows:

	Dr		Cr
	sh'000		sh'000
Land and buildings	15,000		
Sales			4,000 40,000
Fixtures & fittings	3,000		
Salaries & Wages	3,000		
Drawings	4,000		
General expenses	3,000		
Purchases	19,000		
Motor vehicles	8,000		
Commissions	3,000		
Office expenses	2,000		
Debtors & creditors	8,000		7,000
Cash	4,000		
Stock 1/1/18	4,000		
Capital			<u>29,000</u>
	<u>76,000</u>		<u>76,000</u>

a) Stock 31/12/18 was valued at Sh.4,500,000.

Required: i) Income statement and statement of financial position as at 31/12/18 (12 marks)

ii) Explain the common uses of accounting in a legal firm of your choice. (5 marks)

b) Differentiate between the following types of accounts:

- o Real account and nominal account (2 marks)
- o Personal account and ledger (2 marks)

c) What are main advantages of double entry (4 marks)

Question Two

Jabali Musa started a retail shop on 1st January 2014 with a capital of Kshs.3, 500,000 cash. During the month he carried out the following transactions:

- Jan 2 - Put Sh.2,800,000 of cash into the bank account
- Jan 3 - Bought goods for cash Sh.150,000
- Jan 4 - Bought goods on credit from Nyambura Sh. 360,000, Mkisoi Sh. 490,000, P. Otieno Sh.110,000 and Mutoko Sh.340 000.
- Jan 5 - Bought stationery on credit from Seal Honey Ltd Sh.170,000.
- Jan 6 - Sold goods on credit to: Wakanide Sh.90,000, Pinto Gama Sh.150, 000, Hassan Miko Sh.190,000, Petero Sh. 16,000.
- Jan 8 - Paid electricity by cheque Sh. 55,000.
- Jan 10 - Bought furniture on credit from Supreme Sh.480,000.