

THE KENYA SCHOOL OF LAW



DIPLOMA IN LAW (PARA-LEGAL STUDIES)

2<sup>ND</sup> YEAR TERM I EXAMINATION

BOOK KEEPING AND ACCOUNTING – DPS 200

24<sup>TH</sup> JULY, 2017

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

PLEASE TURN OVER

**Question One:**

- (a) Among the documents commonly used in business are as follows:
- (i) Purchase invoice
  - (ii) Purchase credit note
  - (iii) Statement of account
  - (iv) Bank pay in slip

You are required to list under each of the above headings, the detailed information to describe the documents. **(6 Marks)**

- (b) Record the following transaction in the appropriate subsidiary books of Wagava Kimani for the month of January 2015.

- January 1 Purchased 200 trays at Shs. 200 each from Kangundo Wholesalers  
2 Sold 1 dining table, on credit from Naomi Wanjuki; 300 door mats at Shs.200 each; 500 rugs at Shs. 300 each, 200 stairs clips at Shs.45 each all less 10% trade discount.  
7 Sold on credit to S Mwaniki 1 oak board at Shs. 7,200  
14 Sold, on credit to P. Mundia 1 bedroom suit for Shs. 6,750.  
20 Purchased from Mugwe Co. Ltd on credit 100 carpets at Shs. 850 each, 500 trays at Shs.200 each. All less 10% discount.  
22 Returned 10 trays received from Mugwe Co. Ltd on 20<sup>th</sup> January which were damaged on transit

**(7 Marks)**

- (c) Explain the merits of an imprest system.

**(4 Marks)**

- (d) Omolo maintains a petty cash book on imprest system. The imprest being Shs. 30,000. The following transactions took place in 2016 April.

- April 1 Received imprest from the cashier of Shs. 30,000  
3 Bought postage stamps of Shs.2,000  
6 Paid Shs. 4,000 for Peter's accounts in purchases ledger  
7 Bought stationery Shs. 5,000  
8 Paid travelling allowance to S. Otieno an employee Shs. 4,000.  
10 Paid window cleaning expenses Shs.6,000  
12 Paid Lenana's account in purchases ledger Shs.5,000  
14 Paid subscription for trade association Shs.2,000  
17 Paid office cleaning expenses Shs.2,000  
18 Received Shs.30,000 from the cashier  
19 Paid S. Otieno for travelling expenses Sh. 10,000.  
20 Bought electric light bulbs Shs.2,000  
25 Paid Lenana's account in the purchases ledger Shs. 2,500.  
26 Paid travelling expenses Shs.1,000  
27 Paid for sugar, tea and milk Shs.3,000

