

THE KENYA SCHOOL OF LAW



DIPLOMA IN LAW (PARA-LEGAL STUDIES)

2ND YEAR TERM I EXAMINATION

BOOK KEEPING & ACCOUNTING II – PTP-200

15TH FEBRUARY 2021

DURATION: 2 HOURS

Instructions to Candidates

- i. Answer Question **ONE** and **OTHER THREE** other Questions
- ii. Question **ONE** carries **25 Marks**
- iii. All other questions carry **15 Marks** each
- iv. Show All your workings

PLEASE TURN OVER

QUESTION ONE

- a) i) Explain at least four errors that are disclosed by the trial balance. (4marks)
ii) What are the advantages of self balancing ledgers? (4 marks)
- b) i) The following figures were extracted from the books ABC Ltd for the month of June 2014

Purchases ledger balances 1.6.14	980 Dr
	184600 Cr
Sales ledger	47600 Dr
	1350 Cr
Credit sales	68940
Credit purchases	39400
Cash sales	20600
Returns inwards	4400
Returns outwards	2500
Receipts from trade debtors	52600
Payments to trade creditors	38640
Discount received	4750
Discount allowed	6990
Bad debts written off	1240
Interest charged to debtors	360
Debtors cheques dishonoured	870
Purchases ledger creditors transferred to sales ledger	1230
Purchases ledger balances	480 Dr
Sales ledger balances	1690 Cr

From the above information prepare debtors ledger control accounts for the month. (12 marks)

- (ii) Discuss the use of at least five books of original entry in a legal firm of your choice. In your discussion ensure that you include:

- Purpose of the book
- Example of transaction
- Advantage of the books

(5 marks)

QUESTION TWO (15 MARKS)

Gideon Kageya commenced business on July 2019 with Sh. 12,720 cash in hand and a bank overdraft of Sh. 13,392. His transaction for the month were as follows:

	<u>Cash Receipts</u>	Shs.
July 16	Sales	47376
17	Sales	23520
21	Drew cheque for official use	9600
29	Sold old office desk	3600