|  |  |
| --- | --- |
| **D:\JJEB_Clouds\J Other Folders\JJEB Graphics\JJEB HD Logo B&W - 2019.png** | **JINJA JOINT EXAMINATIONS BOARD**  **Uganda certificate of Education**  **MOCK EXAMINATIONS - AUGUST 2019**  **PRINCIPLES OF ACCOUNTS 810/**1  **MARKING GUIDE** |

**Section A**

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

**20 1 = 20 Marks**

21. a)

**B.P ENTERPRISE’S**

**THREE COLUMN CASH ACCOUNT (1)**

**FOR THE MONTH OF JANUARY 2019**

**DR CR**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **F** | **Discount Allowed** | **Cash** | **Bank** | **Date** | **Particulars** | **F** | **Discount**  **Received** | **Cash** | **Bank** |
| **2019**  Jan 1  “ 3  “ 4  “ 6  “ 10  “ 10  “ 12  “ 22 | Balance  J.Opio  Bank  Sales  Sales  Cash  A Male  Sales | b/f  5  **C**  6  6  **C**  9  6 | **Shs**  200,000 | **Shs**  1,300,000  2,000,000  3,800,000  600,000  1,500,000 | **Shs**  3,200,000  3,800,000  5,500,000  2,500,000  2,000,000 | **2019**  Jan 2  “3  “ 4  “ 7  “ 8  “ 9  “ 10  “ 15  “18  “ 20  “ 23  “ 28  “ 30  “ 31 | Purchases  Electricity  Cash  Advertising  L.Asio  Purchase  Bank  Drawings  P.Oyo  Motor Van  Purchases  Wages  Purchases  Balance | 3  4  **C**  7  8  3  **C**  10  11  12  3  13  3  c/d | **Shs**  280,000  36,000 | **Shs**  1,800,000  2,500,000  500,000  900,000  300,000  2,200,000  2,000,000 | **Shs**  2,600,000  600,000  2,000,000  400,000  3,220,000  1,764,000  6,000,000  416,000 |
|  |  |  | 200,000 | 10,200,000 | 17,000,000 |  |  |  | 316,000 | 10,200,000 | 17,000,000 |
| Feb 1 | Balance | b/d |  | 2,000,000 | 416,000 |  |  |  |  |  |  |

***32 ticks x ½ = 16 marks***

21. b)

**DR Discount allowed A/c CR**

Date Details FAmount Date Details F Amount

2018 shs Shs

Jan 31 Sundry debtors 200,000 Balance c/d 200,000

200,000 200,000

Feb 1 Balance b/d 200,000

**2 marks**

**DR Discount Received A/C CR**

Date Details Amount Date Details F Amount

Shs 2018 Sundry creditors 316,000

Balance c/d 316,000 Jan 31

316,000 316,000

Feb 1 Balance b/d 316,000

**2 marks**

22.

**JOHN WALUBE’S**

**WORK SHEET**

**AS AT DECEMBER 31st 2017**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **ACCOUNTS** | **PRE-ADJUSTED TRIAL BALANCE** | | **ADJUSTMENTS** | | **ADJUSTED TRIAL BALANCE** | | **TRADING PROFIT &**  **LOSS ACCOUNT** | | **BALANCE SHEET** | |
|  |  | DR  Shs | CR  Shs | DR  Shs | CR  Shs | DR  Shs | CR  Shs | DR  Shs | CR  Shs | DR  Shs | CR  **Shs** |
| 1 | Sales |  | 7,500,000 |  |  |  | 7,500,000 |  | 7,500,000 |  |  |
| 2 | Purchases | 4,800,000🗸 |  |  |  | 4,800,000 |  | 4,800,000 |  |  |  |
| 3 | Stock 1/1/2017 | 2,200,000 |  |  |  | 2,200,000 |  | 2,200,000 |  |  |  |
| 4 | Machinery | 3,500,000 |  |  |  | 3,500,000 |  |  |  | 3,500,000 |  |
| 5 | Rent payable | 380,000 |  | 20,000 |  | 400,000 |  | 400,000 |  |  |  |
| 6 | Debtors | 2,300,000 |  |  | 230,000 | 2,070,000 |  |  |  | 2,070,000 |  |
| 7 | Creditors |  | 1,800,000 |  |  |  | 1800,000 |  |  |  | 1,800,000 |
| 8 | Advertising | 800,000 |  |  |  | 800,000 |  | 800,000 |  |  |  |
| 9 | Returns inwards | 200,000 |  |  |  | 200,000 |  | 200,000 |  |  |  |
| 10 | Returns outwards |  | 100,000 |  |  |  | 100,000 |  | 100,000 |  |  |
| 11 | Commission | 1,200,000 |  |  | 300,000 |  | 1,500,000 |  | 1,500,000 |  |  |
| 12 | Cash at bank | 1,920,000 |  |  |  | 1,920,000 |  |  |  | 1,920,000 |  |
| 13 | Insurance | 622,000 |  |  | 122,000 | 500,000 |  | 500,000 |  |  |  |
| 14 | Discount allowed | 160,000 |  |  |  | 160,000 |  | 160,000 |  |  |  |
| 15 | Discount received |  | 210,000 |  |  |  | 210,000 |  | 210,000 |  |  |
| 16 | Capital |  | 6,072,000 |  |  |  | 6,072,000 |  |  |  | 6,072,000 |
| 17 | Provision for bad debts |  |  | 230,000 |  | 230,000 |  | 230,000 |  |  |  |
| 18 | Rent payable due |  |  |  | 20,000 |  | 20,000 |  |  |  | 20,000 |
| 19 | Insurance prepaid |  |  | 122,000 |  | 122,000 |  |  |  | 122,000 |  |
| 20 | Commission owing |  |  | 300,000 |  | 300,000 |  |  |  | 300,000 |  |
| 21 | Closing stock |  |  |  |  |  |  |  | 1,700,000 | 1,700,000 |  |
| 22 | Net profit/loss |  |  |  |  |  |  | **1,720,000** |  |  | **1,720,000** |
|  |  | **16,882,000** | **16,882,000** | **872,000** | **872,000** | **17,202,000** | **17,202,000** | **11,010,000** | **11,010,000** | **9,612,000** | **9,612,000** |

***60 tick x 1/3 = 20 marks***

23. a) Features of Income and Expenditure Account.

- Deals with only revenue items i.e it’s a nominal account.

- It is a summary of all items relating to income and expenditure on accrual basis.

- Income is credited and expenditure is debited.

- The balance on account represents surplus or deficit for the year.

- Main forms of income is subscriptions, Donations, incomes from social s like parties, dances etc.

**Any 4 x 1 = 4marks**

b) i) **MBALE MUNICIPAL COUNCIL SPORTS CLUB’S**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE PERIOD ENDED JUNE 30TH 2018.**

|  |  |
| --- | --- |
| **Shs** | **Shs** |
| Expenses  Staff salaries 750,000  **Add**: Salaries Owing 50,000  800,000  Rent and rates 1,500,000  General expenses 250,000  Telephone 380,000  Provision for depreciation:   * Club premises 455,000   Sports equipment 360,000  Total expenses 3,745,000  **Surplus** 1,685,000  **5,430,000** | Gross profit b/d 2,250,000  Subscriptions 2,600,000  **Les**s: prepaid 320,000  2,280,000  Donations 900,000  **5,430,000** |

**ii) MBALE MUNICIPAL COUNCIL SPORT S CLUB’S**

**BALANCE SHEET**

**AS AT JUNE 30TH 2018**

|  |  |
| --- | --- |
| Shs | Shs |
| Accumulated fund 13,380,000  **Add**: Surplus 168,500  15,065,000  **Current liabilities**  Staff salaries owing 50,000  Subscription prepaid 320,000  Club creditors 1,000,000  **16,435,000** | **Fixed Assets**  Club premises 4,550,000  **Less**: provision for depreciation 455,000  4,095,000  Sports equipment 3,600,000  **Less**: provision for : 360,000  Depreciation 3,240,000  Furniture 400,000  **Current Assets**  Cash at bank 4,400,000  Cash in hand 2,400,000  Club debtors 1,900,000  **16,435,000** |

24. a) Sources of information for the Sales Ledger Control Account:

- Trial balance

- Sales Journal

- Returns inwards Journal

- Cash book

- Journal proper

**Any 2 x 1 = 02 marks**

b) i)

**DR. SALES LEDGER CONTROL ACCOUNT CR**

Date Details F Amount Date Details F Amount

**2019 Shs 2019 Shs**

March 1 Balance b/f 1,152,000 March 31 Returns inwards 70,000

“ 31 Credit sale 2,900,000 “ Bank 2,400,000

“ Cheque dishonoured 700,000 “ Discount allowed 94,000

“ Bad debts w/o 88,000

“ Bills receivable 850,000

“ Transfer 140,000

“ Balance c/d 264,00

4,752,000 4,752,000

April 1 Balance b/d 264,000

**10 x 1 = 10marks**

ii)

**DR PURCHASE LEDGER CONTROL ACCOUNT CR**

Date Details F Amount Date Details F Amount

**2019 Shs**  **2019**  **Shs**

March 1 Balance .. b/f 1,180,000

March Returns outwards 40,000 “ 31 Credit purchase 3,860,000

31

“ Bank 2,700,000

“ Discount received 120,000

“ Bills payable 900,000

“ Transfer 140,000

“ Balance c/d 1,140,000

5,040,000 5,040,000

April1 Balance b/d 1,140,000

25. a) Formats of arranging the **Balance sheet:**

- T-Format

- Vertical format

**2 x 1 = 2marks**

b) **M.K ENTERPRISE’S**

**BALANCE SHEET**

**AS AT DECEMBER 31st 2018**

|  |  |
| --- | --- |
| **Shs** | **Shs** |
| Capital 8,500,000  **Less**: Net loss 1,450,000  7,050,000  **Less**: Drawings 600,000  Equity capital 6,450,000  Long term liabilities  Bank loan 4,800,000  Current liabilities  Creditors 1,900,000  Bank overdraft 2,600,000  Insurance unpaid 300,000 | Fixed Assets  Motor van 4,500,000  **Less**: Depreciation 225,000  4,275,000  Current Assets  Stock 31st Dec 2018 3,200,000  Debtors 2,500,000  **Less**: Provision for bad debts 250,000    2,250,000  Rent income owing 1,840,000  Cash at bank 4,485,000 |
| **16,050,000** | **1,6050,000** |

**18 ticks x 1 = 18 marks**

26 (a) i) **Tax liability** – Is the total amount of tax debt owed by an individual, corporation or other entities to a taxing authority-

Uganda Revenue Authority (02 marks)

ii) **Tax Compliance** – Is the degree to which the tax payers meet their tax obligations. (02 marks)

b) i) **Taxable income**  = Basic salary + allowance 1 mark

= 500,000 + 800,0000 1 mark

= Shs 1,300,0000 2marks

ii) **Total allowance** = Transport + Medical + Housing + Airtime01marks 1 mark

= 200,000 + 200,000 + 300,000 + 100,00001marks 1 mark

= Shs 800,000 2 marks

iii) **Income tax liability =** Shs 25,000 + 30% of the amount chargeable income exceeds Shs. 410,000 ½ mark

* Amount exceeding Shs 4,100,00 = 1,300,000 – 410,000 ½ mark

= Shs 890,000 ½ mark

* **Income tax liability** = 25,000 + (x 890,000) ½ mark

= 25,000 + 267,000 1 mark

= Shs 292,000 1 mark

iv) **Net amount** = Gross amount – P.A.Y.E 1 mark

= 1,300,000 – 292,000 1 mark

= Shs 1,008,000 2 marks