



MACHAKOS UNIVERSITY

BOOK – KEEPING (ELECTRICAL, MECHANICAL FB)

ATTEMPT ALL THE QUESTIONS

1. Define Book – keeping
2. a) Write the Book – Keeping equation
b) Use the Book- keeping equation to complete the following

Liabilities	Assets	Capital
Sh	Sh	Sh
_____	41,000	41,000
3000	17,000	_____
4500	_____	25,000
5,000	5,000	_____

3. What is the meaning of the following terms
 - i) Assets
 - ii) Capital
 - iii) Liabilities
4. Arrange the following in form of trial balance
Premises (Business building shs 5,000

Debtors sh 6800, Creditors sh 9,100, stock sh 3,000, cash at bank shs 15,100 , cash in hand sh 200, capital sh 31,000

5. Indicate the accounts to be debited and accounts to be credited in the following transactions

1 Goods sold for cash	Account to be debited	Account to be credited
2) Vans bought on credit from H.Thomas		
3) Machinery sold for cash		
4) Goods sold on credit to B.Perkins		
5) Goods purchased by us returned to supplier , H.Hardy		
6) Goods bought on credit from J.Reid		
7) Goods sold, a cheque being received immediately		
8) Goods we returned to H.Forbes		
9) Goods sold returned to us by customer, J.Nelson		
10) Goods bought on credit from D.Simpson		

6. Enter the following into two – columns cash book

S.Waweru starts business as at April 1, 2010 with cash shs.500,000. The following transactions took place during April 2010

April 1 Opened a bank account paying in Shs 450,000

April 2	Bought goods for cash shs 10,000
April 3	Bought motor vehicle and paid by cheque shs. 200,000
April 5	Bought goods for shs 50,000 and paid by cheque
April 7	Sold goods for cash 20,000
April 10	Paid expenses shs 5,000 in cash
April 15	Sold goods and received a cheque for shs 30,500
April 16	Paid cash into Bank shs 20,000
April 17	Bought goods for cash shs 10,500
April 20	Paid wages to an assistant shs 10,000 in cash
April 22	Cashed cheques for office cash shs 10500
April 30	Paid expenses shs 8,000 in cash

7. Explain the terms

i) Minimum stock level

ii) Maximum stock level

iii) Re – order level

8. From the following information given below, calculate i) Re order level,

ii) minimum stock level iii) maximum stock level and iv) average stock level

Normal usage - 300 units per week

Maximum usage - 400 units per week

Minimum usage - 150 units per week

Re- order period - 4 to 6 weeks

Re- order quantity - 2,400 units