

**CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)
NORTHERN ZONE JOINT EXAMINATIONS SYNDICATE (NZ-JES)**



FORM SIX PRE-NATIONAL EXAMINATIONS 2026

ACCOUNTANCY 1

153/1

Time: 3:00 Hours

Tuesday, 24th February 2026p.m

Instructions

1. This paper consists of sections **A** and **B** with a total **eight (8)** questions.
2. Answer **all** questions from section A and choose any **three (3)** questions from section **B**.
3. Each question in section A carries **ten (10)** marks and in section B carries **twenty (20)** marks.
4. All workings **must** be shown clearly.
5. All writing should be in **blue** or **black** ink, **except** for drawings which must be in pencil.
6. Non –programmable calculators may be used.
7. Communication devices and any unauthorised materials are **not** allowed in the examination room.
8. Write your **Examination Number** on every page of your answer booklet(s).

SECTION A (40 Marks)

Answer **all** questions in this section. Each question carries **ten (10)** marks.

1. Briefly explain the following accounting terms:

- (a) Financial accounting.
- (b) Cost accounting.
- (c) Prepayment.
- (d) Business entity concept.
- (e) Journal proper.

2. A firm had the following balances on 1st January 2012:

Provision for bad debts TZS 25,000

Provision for discount on debtors TZS 12,000

Provision for discount on creditors TZS 10,000

During the year bad debts amounted to TZS 20,000, discount allowed were TZS 1,000, and discount received were TZS 2,000. During 2013 bad debts amounting TZS 10,000 were written off while discount allowed and received were TZS 20,000 and TZS 5,000 respectively.

The total debtors on 1st December 2012 were TZS 480,000 before writing off bad debts but after writing off discount on 31st December 2013 the amount of debtors were TZS 190,000 after writing off the bad debts but before allowing discounts. The total creditors on these two dates were TZS 200,000 and TZS 250,000 respectively.

It is the firm's policy to maintain a provision of 5% against bad debts and 2% for discount on creditors and debtors.

Using the information provided prepare:

- (a) Provision for bad debts account.
- (b) Provision for discount on debtor's account.
- (c) Provision for discount on creditors account.

3. Sungura Ltd holds 50,000 ordinary shares of shillings 2 each in Fisi Ltd which ordinary cost shillings 130,000 at 1st January 2000.

10th January: Fisi Ltd declared a 1 for 5 rights issue at shillings 1.20 per share.

Sungura Ltd took up 60% of its entitlement and sold the remaining at shillings 0.50 per share.

15th February: Fisi declared a bonus of 3 of 2 shares held.

20th March: Sungura Ltd sold 20,000 shares for 2.50 each.

10th June: Fisi Ltd declared a dividend of 10% for shares held.

Required: Prepare Investment Account for the year ended **31st December 2000**.

4. The trial balance of MAJI CHUMVI on 31st December 2015, showed a difference of TZS 580,000 (excess debit). It was put to a suspense account and the books were closed. On going through the books in January 2016, the following errors were discovered:

- (i) TZS 540,000 received from M. Matata was posted to the debit of his account.
- (ii) TZS 100,000 being purchases returns was posted to the debit of Purchases Account.
- (iii) Discount TZS 200,000 received entered in the cash book was not posted to the ledger.
- (iv) TZS 574,000 paid for repairs to motor-car was debited to motor-car account as TZS 174,000.
- (v) A sale of TZS 350,000 to Semeni was entered in the books as TZS 530,000.
- (vi) While carrying forward total of one page in Kachenje's account, the amount of TZS 250,000 was written on the credit side instead of debit side.
- (vii) The purchases of Machinery on **1st January 2015** for **TZS 6,000,000** were entered in the purchases account.

You are required to pass suitable rectifying journal entries and prepare the suspense account.

SECTION B (60 Marks)

Answer **three** questions from this section. Each question carries **twenty (20)** marks.

5. The trading stock of MENGU Enterprises was reduced during the year ended 1st March 2003 by TZS 60,000 from its commencing figure of TZS 210,000. A number of financial ratios and statistics related to the business for the year ended 31st March 2003 was compiled as follows:

	Percentage (%)
(i) Net profit to capital employed (closing figure).....	15%
(ii) Net profit to sales.....	9%
(iii) Fixed assets to sales.....	45%
(iv) Working capital = $\frac{\text{Current assets}}{\text{Current liabilities}}$	400
(v) Acid test ratio = $\frac{\text{Bank} + \text{debtors}}{\text{Current liabilities}}$	275
(vi) Gross profit to sales.....	25
(vii) Debtors' collection period = $\frac{\text{Debtors} \times 365}{\text{Sales}}$	36.5 Days
(viii) Stock turnover	10 times

MENGU Enterprises supplied all the capital and has no drawings during the year to **March 2003**.

Required:

Prepare statement of profit or loss for the year ended 31st March 2003 and statement of financial position as at that date.

6. Dodoma head office supplies goods to its branch at Kilosa at invoice price which is cost plus 50%. All cash received by the branch is remitted to Dodoma and all branch expenses are paid by the head office. The following are the particulars relating to Kilosa branch for the year 2015.

Particulars	TZS	TZS
Stock with branch on 1.1.2015 (at invoice price)		60,000
Branch debtors on 1.1.2015		12,000
Petty cash 1.1.2015		100
Goods received from head office (at invoice price)		186,000
Goods returned to head office		3,000
Credit sales less returns		84,000
Allowance to customer off selling price (Already adjusted while invoicing)		2,000
Cash received from debtors		90,000
Discount allowed to debtors		2,400
Expenses (Cash paid by Head Office):		
Rent	2,400	
Salaries	24,000	
Petty cash	1,000	27,400
Cash sales		104,000
Stock with branch on 31.12.2015 (at invoice price)		54,000
Petty cash balance on 31.12.2015		100

You are required to prepare:

Branch Stock Account, Branch Debtors Account, Branch Expenses Account, Branch Adjustment Account and Branch Profit or Loss Account

7. MABAGO, a wholesaler, writes down his vehicles on diminishing balance method at 20% p.a., providing full year's depreciation in the year of purchase and no depreciation in the year of disposal.

On **1st January, 1998** he had the following vehicles:

- **Vehicle No. 1**, Cost: TZS 8,000,000, Book value: TZS 4,200,000
- **Vehicle No. 2**, Cost: TZS 8,400,000, Accumulated depreciation: TZS 3,200,000
- **Vehicle No. 3**, Cost: TZS 11,000,000, Accumulated depreciation: TZS 6,200,000

During **1998**, he acquired the following vehicles:

- **Vehicle No. 4** for cash: **TZS 10,400,000**
- **Vehicle No. 5** at a cost of **TZS 11,600,000**, paying **TZS 5,400,000 in cash** and giving **Vehicle No. 3** in part exchange.

Vehicle No. 2 was destroyed in an accident and a sum of **TZS 4,000,000** was received from the insurance company as compensation.

Required: Prepare for the year:

- Vehicles Account
- Provision for Depreciation Account
- Disposal Account
- An extract statement of **profit or loss** for the year ended **31st December, 1998**.

8. The following is the trial balance of JAMBO Plastic Ltd as at 31st March, 2014.

Particulars	Debit (TZS)	Credit (TZS)
Drawings	6,000	
Sundry debtors and creditors	38,200	16,802
Carried outward	2,808	
Established expenses	16,194	
Interest on loan	400	
Cash in hand	6,100	
Stock	11,678	
Motor car	18,000	
Cash at bank	9,110	
Land and building	24,000	
Bad debts	1,250	
Purchases and sales	134,916	222,486
Sales and purchases returns	15,642	2,692
Advertisemets	4,528	
Carried inwards	7,858	
Rates, Taxes and Insurance	7,782	
General expenses	8,978	
Bills receivable and payables	13,764	5,428
Capital		60,000
Loan on mortgage		17,000
Bad debts provision		1420
Discount		880
Rent		500
TOTAL	327,208	327,208

Adjustments;

- Depreciation on land and building at 5% and motor car at 10%.
- Interest on loan is at 5% taken on 1st April 2013.
- Goods costing TZS 1200 were sent to a customer on sale on return basis for TZS 1400 on 30th March 2014 and has been recorded in the books as an actual sale.
- Salaries amounting to TZS1400 and rates amounting TZS 800 are due.
- The bad debts provision is to be brought up to 5% on sundry debtors
- Closing stock was TZS 13,700.
- Goods costing TZS1000 were taken away by proprietor for his personal use but no entry has been made in the books of accounts.
- Insurance prepaid TZS 350.
- Provide the manager's commission at 5% on net profit after charging such commission.

You are required to prepare income statement for the year ended 31st March 2014 and the statement of financial position as at that date.