



THE CO-OPERATIVE UNIVERSITY OF KENYA

DIPLOMA IN COMMUNITY DEVELOPMENT

COCD 1303 RECORD KEEPING IN DEVELOPMENT

SUPPLEMENTARY/SPECIAL EXAMINATION NOVEMBER, 2019

DATE: ----- TIME: 2 HOURS

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

(a) Explain **FIVE** contents of a well-planned document in a self-help group (10 marks)

(b) The following information is provided for the month of October, 2019

- October 1 Mr. Odhiambo started an agribusiness with shs 10,000 cash and shs 80,000 in the bank as his capital
- 2 Purchased goods on cash shs 15,000
- 3 Sold goods for cash of sh 20,000
- 4 Banked shs 15,000
- 5 Bought goods from Petero worth shs 40,000
- 6 Bought goods through bank shs 30,000
- 7 Sold good to Mapato Ltd shs 20,000
- 8 Bought goods from Kiprop shs 10,000
- 9 Withdraw shs 5,000 from bank
- 10 Paid salary cash 5,000
- 11 Purchased goods through bank shs 10,000
- 12 Purchased goods from Mapato Ltd shs 10,000
- 13 Paid for water shs 1,000 cash
- 14 Sold goods cash shs 30,000
- 15 Deposited shs 20,000 into bank
- 16 Bought a weight scale shs 4000 cash

Required:

Open a **TWO** column cash book duly balanced and record the transaction for the month of October, 2019. (20 marks)

QUESTION TWO

(a) Mr. Ouma runs a farm and has approached you to help him prepare his financial statement. You have prepared the following trial balance from his books

Trial balance as at 30th June, 2019

	Dr.	Cr.
	Sh.	Sh.
Capital		100,000
Purchases	300,000	



CUK is ISO 9001: 2015 Certified

Carriage inwards	20,000	
Stock opening balance	30,000	
Sales		500,000
Cash discount received		10,000
Cash discount allowed	5,000	
Salaries	10,000	
License	2,000	
Equipment	59,000	
Creditors		15,000
Debtors	40,000	
Water/electricity	4,000	
Drawings	20,000	
Bank balance	130,000	
Cash balance	5,000	
	<u>625,000</u>	<u>625,000</u>

He tells you that he had stock at hand of Ksh. 40,000 by the end of the accounting period.

Required:

- i. Prepare Mr. Musa's statement of comprehensive income (10 marks)
- ii. Prepare his statement of financial position at that date (10 marks)

QUESTION THREE

- (a) Explain **FIVE** benefits of accurate record keeping? (10 marks)
- (b) What are **FIVE** errors that do not affect a Trial Balance (10 marks)

QUESTION FOUR

- (a) Explain **FIVE** types records that a community development group should maintain (10 Marks)
- (b) The petty cashier of Fanyakazi farmers' cooperative society incurred the following expense in the month of August, 2019:

- March 1 Received from cash office shs 15,000
- 2 Paid for petrol shs 500
 - 3 Paid for tea leaves shs 200
 - 4 Paid for postage shs 1000
 - 5 Paid for petrol shs 1000
 - 6 Paid for Tea shs 400
 - 7 Paid for postage shs 500
 - 10 Paid for petrol shs 600
 - 11 Paid for transport shs 1000
 - 12 Paid for postage shs 100
 - 13 Paid for tea shs 400
 - 14 Paid for cutting grass shs 500
 - 15 Paid for cleaning shs 1000

Required:

Prepare a petty cash book and record the above transaction. Classify expenses to:

- i) fuel and transport,
- ii) tea and cutting and
- iii) Other expenses. (14 marks)



CUK is ISO 9001: 2015 Certified

QUESTION FIVE

- (a) Highlight **TWO** reasons why the cash book balance and the bank statement balance differ by the end of an accounting period may differ (4 marks)
- (b) List **SIX** users of financial statements by the stakeholders (6 marks)
- (c) Explain **FIVE** reasons why a community development student should learn financial accounting (10 marks)



CUK is ISO 9001: 2015 Certified

The Co-operative University Of Kenya – August, 2019