

**The Co-operative University of Kenya**  
**END OF SEMESTER EXAMINATION AUGUST -2018**  
**EXAMINATION FOR THE CERTIFICATE IN CO-OPERATIVE MANAGEMENT**  
**(YR 1 SEM II)**

**UNIT CODE: CCM 1110**

**UNIT TITLE: CO-OPERATIVE ACCOUNTING I**

**DATE: 27<sup>TH</sup> AUGUST, 2018**

**TIME: 2:00 PM – 4:00 PM**

**INSTRUCTIONS:**

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

**QUESTION ONE**

- (a) Define the term cooperative accounting and explain four purposes of cooperative accounting (10 marks)
- (b) Enter the following transactions into their respective ledger Account. (10 marks)

On 15<sup>th</sup> August, 2018 Bandari Co-operative society paid an electricity bill of Ksh.16000/- with a cheque, Sitting allowance of Ksh.20, 000/- to Mr. Onyango in cash and Ksh.170,000/- was put on a fixed deposit account at Co-operative bank account

- (c) As a manager highlight five budgetary controls measures that can be applied in an organization for success in financial management in SACCOs in Kenya. (10 marks)

**QUESTION TWO**

- (a) As the manager in Kenya to a SACCO, explain four current problems in marketing being faced by SACCOs. (4 marks)
- (b) Use the following SACCO information to prepare its cash budget and make any comments from the results.

The overall objective for the SACCO is to manage the cash of the SACCO to attain maximum cash availability and maximum interest income on any idle funds in the first six months in Kshs of 2018:

Details	January	February	March	April	May	June
Balance b/d	85,000	2,850,000	735,000	1,054,960	1,100,000	900,000
Payment of wages	1,000,000	1,100,000	1,200,000	1,615,470	1,915,470	2,100,000
Members' receipts	2,500,000	3,000,000	2,800,000	2,462,500	2,200,000	3,500,000
Purchase of SACCO	1,000,000	1,200,000	1,100,000	1,369,960	1,400,000	1,500,000

office machines						
Office stationery	130,000	150,000	90,000	40,000	60,000	110,000
Bills	170,000	100,000	90,000	100,000	170,000	160,000

Cash budget preparation

(12 marks)

Comments

(4 marks)

### QUESTION THREE

- (a) As a manager in a SACCO in Kenya, explain five activities that are done by SACCOs (5 marks)
- (b) Define the terms loose leaf ledger and card ledger and explain the advantages of loose leaf and card ledger by using any SACCO of your choice. (4 marks)
- (c) As an accountant highlight five features of cooperating accounting in Kenya SACCOs. (5 marks)
- (d) On 30<sup>th</sup> July 2018 Grace paid sh. 51,000/- by cheque and sh. 2000/- in cash to Bomas Sacco to increase her share balances and repay part of the loan and interest as per the following analysis: -

Loan repayment Ksh.30, 000/-

Interest on loan Ksh. 3,000/-

Shares Ksh. 20,000/-

(5 marks)

### QUESTION FOUR

- (a) As an accountant to a SACCO, explain how cooperating accountings are prepared in SACCOs in Kenya. (8 marks)
- (b) Highlight six advantages and six disadvantages of advantages of standardized Accounting System. (12 marks)