Student's Assessment Number: ________________________

TANZANIA HEADS OF ISLAMIC SCHOOLS COUNCIL

FORM TWO INTER ISLAMIC MOCK ASSESSMENT

BOOK KEEPING

062

TIME: 2:30 Hours **Thursday, 06th August 2026 p.m.**

Instructions

1. This paper consists of sections A, B and C with a total of nine (09) questions.
2. Answer **all** questions in the space provided.
3. Section A carries **fifteen (15)** marks, Section B carries **forty (40)** marks, and Section C carries **forty-five (45)** marks.
4. All writings must be in blue or black ink.
5. Non-programmable calculators may be used.
6. Communication devices and any unauthorised materials are not allowed in the assessment room.
7. Write your Assessment Number at the top right corner of every page of this paper.

FOR ASSESSOR'S USE ONLY		
QUESTION NUMBER	**SCORE**	**ASSESSOR'S INITIALS**
1		
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TOTAL		
CHECKER'S INITIALS		

SECTION A (15 Marks)

Answer **all** questions in this section

1. For each of the items (i) – (x), choose the correct answer from among the given alternatives and write its letter in the table provided.

(i) Mwanavita was tasked by her manager with preparing a statement summarizing the preparation of financial statements. Which of the following statements was she required to prepare?

A. Income statement
B. Trial balance
C. Cash flow statement
D. Statement of financial position

(ii) Which is not an example of a Book keeping entry?

A. An entry made in the bank column of the cash book for a cheque received
B. Any goods returned by a customer that are entered in the sales returns journal
C. Cost of goods purchased on credit that are entered in the supplier's account
D. Expenses paid during the year that are entered in the income statement

(iii) Mtukwao's bank statement showed a credit balance of TZS 740,000 at 31st January. Mtukwao compared the bank statement with his cash book and updated it after finding the following:

Bank charges recorded in the cash books TZS 30,000
Cheque paid, not presented to the bank TZS 150,000

What was the updated cash book balance at 31st January?

A. TZS 590,000
B. TZS 620,000
C. TZS 860,000
D. TZS 890,000

(iv) An account in Rabia's book of accounts was as follows:

RAMI A/C

	TZS		**TZS**
Bank	380,000	Balance c/d	400,000
Discount	20,000		
	400,000		400,000

Which statement is correct?

A. Rabia received a discount for buying in bulk
B. Rabia received a discount for paying early
C. Rami received a discount for buying in bulk
D. Rami received a discount for paying early

(v) Jabir received a cheque of TZS 450,000 from Zulfa. He entered the cheque receipt correctly in his cash book. The posting to Zulfa's account was reversed in error. Which journal entry corrects this error?

	Account to be debited	Account to be credited
A.	Bank TZS 450,000	Zulfa TZS 450,000
B.	Bank TZS 900,000	Suspense TZS 900,000
C.	Suspense TZS 900,000	Zulfa TZS 900,000
D.	Suspense TZS 450,000	Bank TZS 450,000

(vi) Mr Chibwiko wants to calculate owner's equity. Which method will be adopted by him?
- A. Total assets – total liabilities
- B. Total assets + total liabilities
- C. Current assets – current liabilities
- D. Non-current assets – non-current liabilities

(vii) On 20th July 2020, Sakina, a sole trader, purchased machinery for cash, paying TZS 35000. What will be the double entry for this transaction?

A.	Debit: cash account	Credit: Machinery account
B.	Debit: Purchases account	Credit: Machinery account
C.	Debit: Machinery account	Credit: Bank account
D.	Debit: Machinery account	Credit: Cash account

(viii) Mbaga entered the credit note he had received in March in the correct returns journal. How was the total of this journal recorded in the ledger at the end of March?
- A. Credit sales returns account.
- B. Credit purchases returns account.
- C. Debit purchases returns account.
- D. Debit sales returns account.

(ix) Mussa took cash from the business for personal use. What effect would this have on the financial statement?

	Current assets	Net profit
A.	Decrease	Increase
B.	Decrease	No effect
C.	Increase	Decrease
D.	Increase	Increase

(x) Saburi traders buy second-hand computers from Msomi traders to resell. Which ledger account does Saburi record Msomi Trader's transactions in?
- A. Nominal ledger
- B. General ledger
- C. Sales ledger
- D. Purchases ledger

ANSWERS:

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

2. Match the descriptions of the source documents in **column A** with the correct document in **column B** by writing the letter of the correct response beside the item number in the table provided.

COLUMN A		COLUMN B
(i)	A document sent by a seller to a buyer showing the goods provided, their price and the total amount due.	A. Receipt
		B. Statement of account
(ii)	A written document issued to confirm that payment has been received from a customer.	C. Credit note
		D. Invoice
(iii)	The part of a cheque book that remains after a cheque is written to keep a record of the cheque number.	E. Bank statement
		F. Cheque book
(iv)	A document issued by the seller to the buyer, authorising the buyer to receive the amount owed when goods are returned, or an account is overcharged.	G. Cheque counter folio
(v)	A summary sent by the seller to the buyer showing payments made and the balance outstanding.	

ANSWERS:

COLUMN A	(i)	(ii)	(iii)	(iv)	(v)
COLUMN B					

SECTION B (40 Marks)

Answer **all** questions in this section

3. Your father requested you, as a form two student, to prepare a good budget for the family holiday. Describe any five (5) features that you will consider during the preparation.

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4. Ms Mvungi keeps her petty on the imprest being TZS 2,500,000. For April 2018, her petty cash transactions were as follows:

2018		TZS
April 01	Petty cash balance	113,000
April 02	Petty cashier presented vouchers to the cashier and obtained cash to reserve the imprest	?
April 04	Bought postage stamps	850,000
April 09	Paid to Mnzava, a creditor	235,000
April 11	Paid bus fares	172,000
April 17	Bought office glue	70,000
April 26	Bought petrol	100,000

Required

Enter the above transactions in the petty cash book of Ms Mvungi on 30th April, with analysis columns under the headings: postage, stationery, travelling expenses and ledger.

5. In running a business, an entrepreneur needs to understand various accounting concepts. In light of this statement, show your knowledge of the following terms:

   (a) Transactions

   (b) Ledger

   (c) Accounts receivable

   (d) Business entity

   (e) Capital

6. An inexperienced book keeper prepared the following Trial Balance, which contains errors. You are required to re-draft it correctly and balance it.

TRIAL BALANCE (AS AT 31 DECEMBER 2025)

S/N	Name of Account	Debit	Credit
1	Cash		13,000,000
2	Capital	12,000,000	
3	Sales		18,500,000
4	Purchases	9,300,000	
5	Rent	2,400,000	
6	Motor vehicle	8,500,000	
7	Accounts Payable	3,600,000	
8	Account Receivable		4,200,000
9	Salaries		6,000,000
10	Bank overdraft	7,600,000	
11	Drawings (cash)		2,500,000
12	Electricity	1,200,000	
13	Sales Returns		1,000,000
14	Purchase Returns	900,000	
15	Inventory (Opening)	4,500,000	
16	Loan from the Bank		10,000,000
17	Inventory (Closing)	2,800,000	
18	Drawings (goods)		3,100,000
Total		**52,800,000**	**58,300,000**

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SECTION C (45 Marks)

Answer **all** questions in this section

7. Mkami runs a small trading business.

Mkami received her bank statement on 29th February 2024, which showed a credit balance of TZS 1,367,000. On the same date, her bank column in her cash book showed an overdrawn balance of TZS 1,933,000. When comparing her bank statement and cash book, she found that the following items appeared on her bank statement and not in her cash book:

February		TZS
26	**M** Stores, a credit customer, had paid by bank transfer	1,900,000
26	Interest received	358,000
27	A cheque previously received from **C** Stores had been dishonoured	1,121,000
28	Bank charges	125,000
28	A direct debit for electricity had been taken	290,000

The following items appeared in her cash book but not her bank statement

February		TZS
23	A cheque paid to **B** properties	1,025,000
27	A payment by credit to pay for rent and insurance	2,300,000
28	A cheque received from a credit customer, Y trader, was paid into the bank	792,000

Upon investigation, she discovered the following error:

A cheque for TZS 45,000 made payable to **D** Sports had been recorded in the bank column of her cash book. The cheque had been written from her personal account to pay for her gym membership.

Required:

(a) Update the cash book

(b) Prepare a bank reconciliation statement (start with the balance shown in the bank statement)

8. The trial balance below belongs to Kamwezi traders of Mbeya for the year ended 31st December, 2021.

DETAILS	DR	CR
Inventory 1st January, 2021	9,500,000	
Purchases and sales	11,500,000	28,500,000
Carriage inwards	1,200,000	
Carriage outwards	1,700,000	
Returns	1,000,000	800,000
Salaries and wages	1,600,000	
Rent and rates	9,000,000	
Discounts	3,000,000	800,000
Insurance	1,500,000	
Advertising cost	1,000,000	
Interest received		1,700,000
Office expenses	2,200,000	
Motor running expenses	2,000,000	
Water bill	3,000,000	

Additional information: inventory 1st December, 20221 was TZS 2,000,000

Required:

Income statement for the year ended 31st December, 2021.

9. A book keeper extracted a trial balance on 31st December, 2000. It failed to agree by TZS 199500 due to a shortage in the credit column of a trial balance. A suspense account was opened for the difference. In January 2001, the following errors made in 2000 were found:
   (i) Sales day book was undercast by TZS 160,000
   (ii) A receipt of TZS 190,000 from Magesa, a debtor, was recorded only in the cash account, with no corresponding entry to the trade receivable account.
   (iii) Wages account was undercast by TZS 85,500
   (iv) Sales of TZS 579,500 to Mamy Co Ltd were debited in error to the Mamaza account.
   (v) The discount allowed account was overcast by TZS 95,000

   Required:

   (a) Show the journal entries necessary to correct the errors.
   (b) Prepare the suspense account and post relevant entries.

Wabillah Tawfiiq