The Management University of Africa | MUA
Sponsored by the Kenya Institute of Management

CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

CERTIFICATE IN ENTREPRENEURSHIP

CES 100 : BOOKEEPING FOR SMALL BUSINESS

DATE: 27TH JULY 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

a) ABZ Ltd made the below transactions in the Month of April 2022; enter them in the sales journal, purchases journal, general journal, and then post them to the relevant ledger accounts **(10 Marks)**

Year 2022

March 2	Credit sales to Maria	Sh. 12,800
2	Credit purchases to Priscilla.O	Sh. 9,600
3	Credit sales to J Omondi	Sh. 11,700
7	Credit sales to N.Kimanzi	Sh. 20,700
8	Credit sales to P.Amino	Sh. 4,900
12	Credit purchases from M. Kibaki	Sh. 7,200
13	Credit sales to Maria	Sh. 42,000
13	Credit purchases from G.Njenga	Sh. 9,700
15	Return inwards from J Hadija	Sh. 200
16	Return outwards to K Nyongesa	Sh. 1,200
20	Credit purchases from Priscilla.O	Sh. 11,200
21	Credit purchases from E. Joe	Sh 4,900
23	Credit purchases from O. Mbiyu	Sh. 4,500
27	Bought motor vehicle cash	Sh. 300,000
30	Sales to E Williams	Sh. 10,600

a) The accounting equation is the basis of financial accounting.

i) Write the accounting equation formula. **(2 Marks)**

ii) Complete the gaps in the following table **(8 Marks)**

No.	Assets	Liabilities	Capital
i.	?	24,100	85,000
ii.	230,200	?	23,500
iii.	86,200	48,200	?
iv.	10,820	1,400	?
v.	?	35,000	32,000
vi.	35,200	3,330	?
vii.	909,230	?	535,700
viii.	?	6,620	20,980

b) Good financial records are important to small businesses. Discuss 5 Qualities of a Good Bookkeeping System **(10 Marks)**

QUESTION TWO

Ms. Arnest Malia started a business on 1st January 2024. During the first month of trading the following transactions took place.

Required

Enter the following transactions for the month of May 2024 in a three-column cash book.
(10 Marks)

1st May Balance brought forward cash Sh. 4,700 bank Sh. 17,000

2nd May Cash sales Sh. 20,000 (discount 8%)

3rd May Cash sales Sh. 42,000

7th May Cash purchases Sh. 18,000 (discount 10%)

10th May Sales paid for by cheque of Sh. 40,000 after deducting a 20% discount

15th May Paid Sh. 50,000 by cheque from sales after deducting 20% cash discount.

20th May Purchases by cheque Sh. 12,000

QUESTION THREE

a) Define the term Trial Balance
(2 marks)

b) Discuss 4 main commonly used books of original entry
(8 Marks)

QUESTION FOUR

From the following trial balance of ABC Ltd, prepare a statement of Financial Position as at ended 31 December 2012

(10 Marks)

ABC Ltd
Trial Balance
For the year ended 31st December 2012

	Dr. (KSh.) '000'	Cr. (KSh.) '000'
Stock 1 January 2012	23,680	
Carriage outwards	2,000	
Carriage inwards	3,100	
Returns inwards	2,050	
Returns outwards		3,220
Purchases	118,740	
Sales		186,000
Salaries and wages	38,620	
Rent	3,040	
Insurance	780	
Motor expenses	6,640	
Office expenses	2,160	
Lighting and heating expenses	1,660	
General expenses	3,140	
Premises	50,000	
Motor vehicles	18,000	
Fixtures and fittings	3,500	
Debtors	38,960	

Creditors		17,310
Cash at bank	4,820	
Drawings	12,000	
Capital		126,360
	332,890	**332,890**

Additional Information:

1. Stock on 31/12/2012 was valued at Ksh. 29,460,000

QUESTION FIVE

Dalet shop during end of year realized the following errors had been made .Show the journal entries required to correct the errors. Entries; narratives must be shown.

(10 Marks)

- Commissions received Sh. 44,000 had been credited to rent receivable account bank
- Bank charges Sh. 3,850 had been debited to rent account
- Completely omitted from the books of account is a payment of sundry expenses by cheque Sh. 1,150
- Purchase of fixtures Sh 23,700 had been entered in purchases account
- Return inwards of Sh. 41,650 had been entered on the debit side of the return outwards account
- A loan from R. Simiyu Sh. 25,000 had been entered on the credit side of capital account
- Loan interest Sh 2,500 had been debited in the premises account
- Goods taken for own use Sh. 1,250 had been debited to purchases account and credited to drawings account.

QUESTION SIX

a) Books of original entry can be defined as the books in which we first record a transaction. Name 5 essential details of truncation that are usually captured.

(5 Marks)

b) Briefly explain at least 5 Errors that occur while entering transactions into the books of accounts, but they do not affect the balancing of the trial balance.

(5 marks)