



**PAN AFRICA CHRISTIAN UNIVERSITY**

**END OF SEMESTER EXAMINATION FOR THE DEGREE OF**

**SEPTEMBER- DECEMBER 2025**

**CAMPUS: ROYSAMBU**

**DEPARTMENT: LEADERSHIP**

**COURSE CODE: DLM 105**

**COURSE TITLE: FINANCIAL ACCOUNTING I**

**EXAM DATE:**

**TIME:**

## **INSTRUCTIONS**

- This examination script consists of **SIX (6)** questions.
- Answer question **ONE AND TWO** and ANY other **TWO** Questions.
- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.

### **SECTION A: ANSWER ALL QUESTIONS**

**Question One (compulsory) : \_\_\_\_\_ (10 marks)**

- a. Using suitable example, explain any **five (5)** users of accounting information. (5 marks)
- b. Discuss **five** purposes of control accounts (5 marks)

**Question Two (compulsory)****(10 marks)**

Differentiate between the following terms as used in accounting.

- (i) A debit entry and credit entry (2 marks)
- (ii) Return inwards and return outwards (2 marks)
- (iii) An asset account and liability account (2marks)
- (iv) An expense account and revenue account (2 marks)
- (v) A trail balance and a balance sheet (2 marks)

**SECTION B****ANSWER ANY TWO QUESTIONS****Question Three****(10 marks)**

The following is a trial balance of ABC Ltd.

	Kshs	Kshs
Stock 1 Jan 2009	2,368,000	
Carriage inwards	200,000	
Carriage outwards	310,000	
Return outwards	205,000	
Return outwards		322,000
Purchases	11,870,000	
Sales		18,600,000
Rent	3,862,000	
Salaries & Wages	304,000	
Insurance	78,000	
Motor expenses	216,000	
Lighting and heating expenses	166,000	
General expenses	314,000	
Premises	500,000	
Motor vehicles	1,800,000	
Debtors	3,896,000	
Fixture and fittings	350,000	
Creditors		1,731,000
Cash at Bank	482,000	

Drawings	1,200,000	
Capital		8,132,000
	<u>28,785,000</u>	<u>28,785,000</u>

Stock at 30 December 2009 was Sh.

2,946,000 **Required:**

- I. Draw up a statement of comprehensive income for the year ended 31<sup>st</sup> Dec. 2009 (10 marks)

**Question Four** **(10 marks)**

- a. Outline 4 circumstances under which the capital of a business may change (4 marks)  
 b. The following information was extracted from the book of LIMA Ltd. For

the year 2023.

- (i) Initial capital as at 1/01/2023 – Sh.200,000
- (ii) Made a net loss of Sh. 50,000
- (iii) The proprietor invested into the business from her personal saving Sh.600,000
- (iv) The proprietor withdraw in cash for her personal use Sh. 250,000

**Required:**

Using the final capital formula, determine the final capital as at 31/12/23 (6 marks)

**Question Five** **(10 marks)**

The following are extracts from the cashbook and the bank statement of Wajakoya.

Cashbook					
2022	Dr	Kshs	2022	Cr	Kshs
Dec 1	Balance b/d	1,740	Dec 8	A Dailey	349
Dec 7	J Map	88	Dec 15	R Mason	33
Dec 22	J Cream	73	Dec 28	G Small	115
Dec 31	K Wood	249	Dec 31	Balance c/d	1,831
Dec 31	M Barrett	178			
		<u>2,328</u>			<u>2,328</u>

*Bank Statement*

2022	Dr	Cr	Balance
	Kshs	Kshs	Kshs
Dec 1	Balance b/d		1,740

You are required to:

- a) Write the cashbook up to date, and state the new balance as on 31 December 2022, and
- b) Draw up a bank reconciliation statement as on 31 December 2022.

**Question Six** **(10**  
**marks)**

---

Write a two-column cash book from the following detail and balance off as at the end of the month.

2019

Oct 1: Started business with capital in cash Sh. 1,000,000

Oct 2: Paid rent by cash Sh. 100,000

Oct 3: Loan from Mary- Sh. 500,000, paid by  
cheque. Oct 4: Paid B. Peter by cheque Sh. 65,000

Oct 5: Cash sales made Sh. 98,000

Oct 7: Mitter, owe of debtor paid by cash Sh. 62,000

Oct 9: Paid Den (creditor) in cash 22,000

Oct 11: Cash sales paid direct into the bank Sh.

53,000 Oct 15: George (creditor) paid as by cheque

Sh. 65,000 Oct 16: Repaid Mary by cheque Sh. 100,

000

Oct 19: Took Sh. 50,000 out of the cash till and paid it into the bank  
accounts.

Oct 22: Paid motor expenses by cheque Sh. 12,000

Oct 26: Withdrew Sh. 100,000 cash from the bank for business use.

Oct 31: Paid wages in cash Sh. 97,000.

