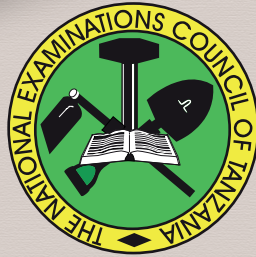


THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



**EXAMINERS' REPORT ON THE PERFORMANCE
OF CANDIDATES CSEE, 2014**

**062 BOOK KEEPING
(For School Candidates)**

THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



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FOREWORD

The National Examinations Council of Tanzania is pleased to issue the Book Keeping Examiners' Report on the Performance of Candidates in Certificates of Secondary Education Examinations (CSEE) 2014. The report provides feedback to students, teachers, parents, policy makers and the public in general on the performance of the candidates.

The Certificate of Secondary Education Examination marks the end of four years of secondary education. It is a summative evaluation which among other things shows the effectiveness of education system in general and education delivery system in particular. Essentially, candidates' responses to the examination questions is a strong indicator of what the education system was able or unable to offer to the students in their four years of secondary education.

The analysis presented in this report intends to contribute towards understanding of some of the reasons behind good performance of candidates and those few who performed poorly. The report highlights some of the factors that made candidates to score high marks in the questions. Such factors include; ability of the candidates to adhere to the demands of the question, identify the task of the questions and to follow instructions, ability of the candidates to express themselves in English Language and enough knowledge of the concepts related to the subject. The candidates who scored low marks in the examinations failed to adhere to the demands of the question and identify the task of the questions. They also showed inability of expressing themselves in English Language and lack of knowledge of the concepts related to the subject. The feedback provided will enable the educational administrators, school managers, teachers and students to identify proper measures to be taken in order to improve candidates' performance in future examinations administered by the Council.

The National Examinations Council of Tanzania will highly appreciate comments and suggestions from teachers, students and the public in general that can be used for improving future Examiners' Reports.

Finally, the Council would like to thank all the Examination Officers, Subject Examiners, the staff of the Department of Information and Communication Technology who participated in analyzing the data used in this report and all others who participated in one way or another in the preparation of this report.

A handwritten signature in black ink, appearing to be 'C. Msonde', written in a cursive style.

Dr. Charles E. Msonde
EXECUTIVE SECRETARY

1.0 Introduction

This report analyses the performance of the candidates in Book Keeping for the Certificate of Secondary Education Examination (CSEE) in 2014. The paper consisted of seven (7) compulsory questions which were divided into three sections namely A, B and C. Each question in section A and B carried 10 marks while in section C each question carried 20 marks. The paper was attempted by both school and private candidates and it was set according to the 1997 syllabus as indicated in the Examination Format.

A total of 16,825 candidates sat for Book Keeping examination. The results show that 42.2 percent passed the examination with the following grades: grade A 0.2 percent; grade B⁺ 3.2 percent; grade B 6.8 percent; grade C 12.6 percent; grade D 19.4 percent and 57.8 percent failed by obtaining grade E and F.

The general performance of the candidates in the Certificate of Secondary Education Examination (CSEE) November, 2014 in Book Keeping paper was moderate.

Book Keeping examination results for three consecutive years shows that there is an improvement in the performance of the candidates such that in 2013 the results were good compared to those of 2012 and in 2014, the results are better compared to the two previous years as it can be seen in the following table.

Sn.	Year	Number of Candidates sat for Exams.	Passed	Percentage	Failed	Percentage
1	2012	23,434	7,355	31.4	16,079	68.6
2	2013	21,111	8,208	38.9	12,903	61.1
3	2014	16,825	7,100	42.2	9,725	57.8

The analysis on the individual questions is presented in the next sections. The presentations examine the requirements of each question and the way the candidates answered them. This analysis shows both strengths and weaknesses of candidates in answering the questions. Selected extracts of candidates' responses are included to enable stakeholders experience the reality of candidates' responses to the questions. The extracts are selected from the scripts of candidates who were able to satisfy the requirements of the questions and those who were unable. It is expected that such detailed

analysis will enable the stakeholders to take appropriate measures in improving the teaching and learning process of Book Keeping subject.

The performance of the candidates in each question was categorized as good, average and weak. The pass rate in each question was 30 percent and above. The candidate's performance is categorized as follows: 50 – 100 percent as good performance, 30 – 49 percent as an average performance while 0 – 29 percent as weak performance.

The candidates' performance is summarized in appendix attached at the end of this book; where by green colour presents good performance, yellow for average performance and red for weak performance.

2.0 Analysis of the Performance of Candidates in Each Question

2.1 Question 1: Multiple Choice

This question consisted of ten (10) multiple choice items drawn from various topics of the syllabus. The topics were *Elementary Trading, Profit and Loss Account, Partnership Accounts, Financial Statement, Books of Prime Entry, Adjustments, Depreciation, Bank Reconciliation Statement, Capital Expenditure and Revenue Expenditure, Departmental Account and Trial Balance*. The candidates were required to choose the correct answer among the given five alternatives. The question intended to measure the candidates' knowledge on various concepts of Book Keeping and the application of such knowledge in their daily life.

This question was attempted by 97.8 percent of the candidates, out of which 22.3 percent scored from 0 to 2 marks out of the 10 allotted marks, 60.6 percent scored from 3 to 6 marks, 16.5 percent of the candidates scored from 7 to 9 marks, while the rest 103 candidates (0.6%) scored all the 10 allotted marks. The General performance in this question was good. Of all the items, item (i) was done correctly while items (ii), (iv), (vii) and (x) were not answered correctly by most of the candidates and the remained items were scored evenly.

In item (i), the candidates were required to identify what will happen if sh. 7,500 is added to rent account instead of being added to the fixed assets. The majority of the candidates were able to choose the correct answer which was (A) *gross profit would not be affected*.

Those candidates had enough knowledge of the principles of double entry system and financial statements. The item given was as follows:

“Which of the following will happen if sh. 7,500 was added to rent instead of being added to fixed assets?”

- A **gross profit would not be affected***
- B gross profit would be affected*
- C gross and net profit would be affected*
- D net profit would not be affected*
- E neither gross profit nor net profit would be affected.*

In item (ii), the candidates were required to identify the treatment of sales returns in the trading account among the five given alternatives. Most of the candidates chose (D) *added to sales* instead of (C) *deducted from sales* which was the correct response. The source of confusion was that, nature of the sales return account is a debit balance; therefore, the candidates assumed that even its treatment in the trading account will be shown in the debit side of this account instead of deducting directly from the sales figure. The item given was as follows:

“In the trading account, the sales returns should be”

- A added to cost of goods sold*
- B deducted from purchases*
- C **deducted from sales***
- D added to sales*
- E added to purchases.*

In item (iv), the candidates were required to identify the correct way of recording share of profit among the five given alternatives. Most of the candidates were attracted by the option (B) which read *credited to partner’s capital account* instead of (E) *credited to partner’s current account* which was the correct answer. The option they chose is used to record share of profit if partnership opts to maintain fixed capital accounts. The item given was as follows:

“If current account is maintained then the partner’s share of profits must be”

- A debited to partner’s capital accounts*
- B credited to partner’s capital accounts*
- C credited to profit and loss appropriation account*
- D debited to partner’s current accounts*
- E **credited to partner’s current accounts.***

In item (vii), the candidates were required to identify the meaning of *bank reconciliation statement* among the five given alternatives. Very few candidates were able to identify the correct answer (B) *drawn to verify cash book balance with the bank balance statement*. The majority of the candidates selected the alternative (D) *sent by the bank to the customers when errors are made*. Those candidates thought that, this statement is prepared only if there is an error made by the bank but they forgot that this statement is prepared regularly to inform customers for their transactions made in a given period of time. The item given was as follows:

“A *bank reconciliation statement* is a statement”

A *sent by the bank when the account is overdrawn*

B ***drawn to verify cash book balance with the bank balance statement***

C *drawn up by the bank to verify the cash book*

D *sent by the bank to the customers when errors are made*

E *sent by the bank to the customers to the friend.*

In item (x), the candidates were required to allocate the difference appeared in the trial balance if it does not agree from the five given alternatives. Most of the candidates chose (B) *the trading account* instead of (E) *a suspense account* which was the correct response. The candidates assumed that after preparing trial balance the next step is to prepare income statement which starts by preparing trading account. Therefore, they thought that the difference should be transferred to this account. The item given was as follows:

“If the two totals of a trial balance do not agree, the difference must be entered in”

A *a real account*

B *the trading account*

C *a nominal account*

D *the capital account*

E ***a suspense account.***

2.2 Question 2: Matching Items

The question consisted of ten (10) matching items which were drawn from the topic of *Books of Prime Entries*. The candidates were required to match the description in “Column A” with the terminologies in “Column B” by writing the letter of the correct response beside the item number. The items given were as follow:

Match the items in **Column A** with the responses in **Column B** by writing the letter of the correct response beside the item number.

Column A	Column B
(i) <i>A ledger for customers' personal account.</i>	A <i>Journal proper</i>
(ii) <i>A ledger for suppliers' personal account.</i>	B <i>Nominal ledger</i>
(iii) <i>The main book of accounts.</i>	C <i>Private ledger</i>
(iv) <i>Book of original entry used to record prompt receipt and payments.</i>	D <i>Bought journal</i>
(v) <i>A ledger account for capital and drawing accounts.</i>	E <i>Creditors' control ledger</i>
(vi) <i>A book of accounts used to record rare transactions.</i>	F <i>Cash book</i>
(vii) <i>Books of original entry used to record credit sales.</i>	G <i>Debtors' control ledger</i>
(viii) <i>Books of original entry used to record credit purchases.</i>	H <i>Return outward journal</i>
(ix) <i>Books used for making small payments.</i>	I <i>A ledger</i>
(x) <i>A ledger for impersonal accounts.</i>	J <i>Petty cash book</i>
	K <i>Return outward journal</i>
	L <i>Sales ledger</i>
	M <i>Purchases invoice</i>
	N <i>Sales journal</i>
	O <i>Purchases ledger</i>

The question was attempted by 97.7 percent of the candidates. The analysis of performance in this question shows that, 48.8 percent of the candidates scored from 0 to 2 marks, 44.3 percent scored from 3 to 6 marks out of 10 allotted marks, 6.9 percent of the candidates scored from 7 to 10 marks, this includes 148 candidates who scored full marks in this question.

The general performance in this question was good; where majority of the candidates were able to identify the correct responses from the given options and managed to detect the demand of the questions. Few candidates who scored below 5 marks failed to identify the correct match due to the fact that they had inadequate knowledge on the concept of Books of Prime Entries and were unable to interpret the demand of the questions.

Item (iii) was matched correctly by most of the candidates. In this item the candidates were required to identify the *main book of accounts*. The correct answer was (I) *A ledger*. A Ledger is a book in which various accounts (personal and impersonal) are recorded. It is the main or principal book of accounts. Those candidates who performed correctly in this item had enough knowledge on the concept of *Books of Prime Entries*.

The most poorly scored item in this question was item (iv) in which the candidates were required to identify the name of the *Books of original entry used to record prompt receipts and payments*. The correct answer was (F) *Cash book* but most of the candidates opted for (J) *Petty cash book*. Such candidates failed to distinguish between *Cash book* and *Petty cash book* because of their close relationship or the applications of the two concepts. However, their difference is that, *cash book* is used to record transactions concerning cash receipts and cash payments while *petty cash book* is an allotment of money by a business from which small cash payment can be made. The remained items were scored in the same proportion.

2.3 Question 3: Non-Profit Making Organizations and Elementary Balance Sheet

The question had two parts (a) and (b). In part (a), the candidates were required to give distinctions between receipts and payments and income and expenditure accounts while in part (b), the candidates were required to highlight the importance of the balance sheet.

The question intended to measure the candidates' comprehension and analysis ability as well as knowledge on concepts of accounting named and the application of such knowledge in their daily life.

The question was attempted by 84.5 percent of all the candidates. Performance in this question was poor, as 58.5 percent scored 0 mark, 36.8 percent scored from 1 to 2 marks, 4.7 percent scored from 3 to 7 marks out of the 10 allotted and there was no any candidate who scored full marks in this question.

In part (a), the candidates who scored poor marks had inadequate knowledge on the concept of Non-Profit Making Organization and poor communication skills hence, their answers lacked clarity and some of the distinctions were omitted. Generally, those candidates

had no enough knowledge of the distinctions between receipts and payments and income and expenditure accounts. They provided unrelated responses with few sentences which were not understandable. Moreover, others failed to express themselves well in English Language and their responses were characterized by a lot of grammatical errors. A sample of such responses is shown in extract 3.1

Extract 3.1

3	(a) receipts and payments deals with giving services to the public while income and expenditure accounts deals with receiving money from the resources
	(ii) Receipts and payments involves payment of the firm running a business while expenditure involves charitying to people
	(iii) Expenditure deals with spending money for different purpose while receipts deals with giving signed papers for a certain activity.
	(iv) Income and expenditure accounts deals with contributing of services to the people while receipts and payments deals with receiving of money to the people.

Extract 3.1 shows a sample of a response from the script of a candidate who did not understand the demand of the question. This candidate provided irrelevant response in all parts.

The candidates who scored from 4 to 7 marks managed to give distinctions clearly between receipts and payments and income and expenditure accounts. They had a good command of English Language to describe the difference between those two accounts but failed to explain correctly on other parts. This was due to the fact that some of the distinctions were not familiar to them and others omitted

some of the distinctions. Extract 3.2 shows a sample of the correct responses.

Extract 3.2

3 (a)	Receipts and Payments	Income and Expenditure
1.	It determines the cash and/or Bank balances at the end of the month	2. It determines the surplus/Deficit at the end of the trading period
2.	It is prepared during the trading period	2. It is prepared at the end of the trading period
3.	Incomes/Receipts are recorded on the credit Debit side.	3. Incomes/Receipts are recorded on the credit side.
4.	Expenses are recorded on the credit side	4. Expenses are recorded on the debit side
5.	It does not involve any inclusives or calculations of accruals or prepaids.	5. It involves the inclusive and calculations of the accruals and prepaids.

Extract 3.2 presents a sample of a response from the script of a candidate who managed to provide clearly the distinctions between receipts and payments and income and expenditure accounts.

The performance of the candidates in part (b) was also poor. Most of the candidates failed to highlight the importance of the balance sheet; they provided irrelevant responses contrary to the requirements of the question. For instance, some of them explained functions of trial balance such as, “to determine arithmetical accuracy of double

entry and to find out book keeping errors” instead of the importance of the balance sheet which were supposed to be as follows:

To determine its financial position by showing the relationship between its assets, capital and liabilities, to evaluate its relative performance over several trading periods, to borrow loans from financial institutions by showing the assets that it can put up as security, to determine its current assets, fixed assets and current liabilities and is used by prospective investors who may wish to invest in the business.

Extract 3.3 presents a sample of one of the incorrect responses extracted from candidates’ scripts in question 3(b).

Extract 3.3

3b)	It's used to determin arithmetical accuracy of double entry system.
ii)	It's used to find the difference or balancing of money in an accounting entry.
iii)	It's used to determine errors
iv)	Used to reconcile the balance of net profit and capital in a business.
v)	It's used to correct mistakes which may occur on making calculation.

Extract 3.3 shows a sample of the response from the script of a candidate who provided functions of trial balance instead of importance of the balance sheet.

2.4 Question 4: Adjustments, Bill of Exchange and Single Entry System

The question had three parts (a), (b) and (c). In part (a) the candidates were required to ascertain the amount of rent received to be transferred to profit and loss account without using rent received account. In part (b) the candidates were required to outline essentials of a bill of exchange while in part (c) they were demanded to state limitations of a single entry system.

This question was extensively skipped by most candidates. It was attempted by 77.3 percent of the candidates. A total of 10,725 candidates (80.7%) scored 0 mark out of 10 marks, 14.6 percent

scored from 0.5 to 2.5 marks, 4.3 percent scored from 3 to 6.5 marks and the rest 0.4% scored from 7 to 10 marks, this includes 4 candidates who scored all the ten (10) allotted marks.

In part (a), general performance was very poor because the candidates failed to ascertain the correct amount of rent received to be transferred to profit and loss account by using statement. Most of the candidates presented their answers in account form instead of statement as the demand of the question. Moreover, they were unable to relate their answers with the statement which they were required to prepare. Extract 4.1 presents a sample of the candidates' irrelevant responses to this part of the question.

Extract 4.1

4a	RENT ACCOUNT							
	DR				CR			
	DATE	DETAILS	FOR	AMOUNT	DATE	DETAILS	FOR	AMOUNT
	2002			75th	2002			3th
	1 st	Balance	By	120,000	1 st	Balance	By	400,000
		Profit and loss		220,000				
				400,000				400,000
		Cash		1,600,000				
						Balance	By	110,000
						Revenue		30,000
						Profit and loss		1,240,000
				1,720,000				1,720,000
		Balance	By	1,240,000				

Extract 4.1 shows a sample of the response from the script of a candidate who drew the rent account instead of a statement which will enable to ascertain the amount of rent received to be transferred to profit and loss account.

Few candidates (0.7%) who performed well in this question were able to adhere to the demand of the question and had adequate knowledge on the topic of *Adjustments*. Those candidates managed to arrange all transactions as they were required and succeeded to ascertain the amount of rent received to be transferred to profit and loss account by using a statement. Extract 4.2 provides a sample of the candidate's correct responses.

Extract 4.2

4. a		lhs.
	Add: Tenant Paid	400 000
	Cash for rent	1 600 000
	Accrued rent	110 000
		2110 000
	Less: Tenant owed	180 000
	Unearned rent revenue	30 000
		210 000
	Amount to be transferred to profit and loss a/c	1 900 000

Extract 4.2 shows a sample of the response from the script of a candidate who produced correct responses to the question. This candidate managed to ascertain the amount of rent received to be transferred to profit and loss account by using statement.

Part (b) of this question was poorly done compared to other parts of the question. Most of the candidates were unable to outline essentials of a bill of exchange. Some opened a journal entry which shows how to record transactions of bills of exchange, others listed parties to a bill of exchange while few candidates opened a bill of exchange account, sales account; landlord received account and accrued account. Extracts 4.3 and 4.4 illustrate samples of incorrect responses.

Extracts 4.3

4	(b) (i) Drawer
	(ii) Drawee
	(iii) payee
	(iv) and payer

Extract 4.3 shows a sample of the response from the script of a candidate who lacked knowledge of a bill of exchange. This candidate listed parties to a bill of exchange instead of essentials of a bill of exchange.

Extracts 4.4

4.	Bill of exchange.		
	DR	Overd A/c	CR
	11 January 2002	Debtor	180,000
	DR	Sales A/c	CR
	11 January 2001	paid	450,000
	DR	landlord received A/c	CR
	1	1,600,000	Cash
	DR	Accrued A/c	CR
		Rent	110,000
			30,000
	DR	Bill of exchange	
		Particular	DR CR
	1 January 2002	Debtors	180,000
		Sales	180,000
		Bill of goods sold	
	1 December 2001	Bill receivable	400,000
		Debtors	400,000
		Bill accepted	
	1 December 2002	Bank	160,000
		Bill accepted	160,000
		Bill honoured	
	31 December 2002	Bill accepted	110,000
		Bank	30,000
		Bill honoured	

Extract 4.4 shows a sample of the response from the script of a candidate who did not understand the demand of the question. This candidate opened a bill of exchange account, sales account, landlord received account and accrued account instead of outlining essentials of a bill of exchange.

In part (c) the performance was also poor. Most of the candidates were unable to identify the limitations of a single entry system and they showed poor understanding of this topic. For instance, some of them showed features of a single entry system while others listed books of prime entry which were called them as limitations of a single entry system. Extract 4.5 is a sample of the candidates' incorrect responses.

Extract 4.5

4	(c) FIVE LIMITATIONS OF SINGLE ENTRY SYSTEM.
	(i) Sales journal (Journal proper).
	(ii) Petty cash book
	(iii) Return outward day book (Journal)
	(iv) Purchases Journal.
	(v) General Ledger.

Extract 4.5 shows a sample of the response from the script of a candidate who listed types of books of prime entries instead of outlining limitations of a single entry system.

On the other hand, few candidates who performed well in part 4(b) and (c) were able to outline essentials of a bill of exchange and managed to state clearly limitations of a single entry system. Extracts 4.6 and 4.7 provide samples of correct responses.

Extract 4.6

(b)	- It must be unconditioned order.
	- It must be accepted by the drawee
	- It must be signed by the drawer
	- It must bear appropriate revenue stamps.

Extract 4.6 shows a sample of the response from the script of a candidate who produced correct responses in part 4(b). This candidate was able to outline essentials of a bill of exchange.

Extract 4.7

c.	Five limitations of Single entry System.
	i. It is difficult to determine the financial position of the business
	ii. It is difficult to make a reconciliation with the respective bank statement
	iii. It is difficult to deal with Insurance policies/claims in the case of a loss.
	iv. It is difficult to keep track of the the debtors and creditors of the business
	v. It is difficult to ascertain the profit and losses or it is also difficult to

Extract 4.7 shows a sample of the response from the script of a candidate who produced correct response in part 4(c). This candidate was able to state clearly limitations of a single entry system.

2.5 Question 5: Financial Statements

The candidates were required to prepare trading, profit and loss accounts for the year ending 31st March, 2011 as well as a Balance Sheet as at that date by using the information provided.

The question was attempted by 95.5 percent of the candidates. The performance in this question was good as 32.7 percent scored from 0 to 5.5 marks out of 20 allotted marks, 33.1 percent scored from 6 to 9.5 marks, 31.3 percent scored from 10 to 14.5 marks, the rest 2.9 percent scored from 15 to 19 marks and there was no any candidate who scored full marks in this question.

The candidates who performed well in this question that is, those who scored from 10 to 19 marks, showed strength in various aspects including ability to perform various calculations and the required knowledge on the subject matter. They were able to calculate the

amount of accrued salaries and wages, rent and rates prepaid and amount for bad debts. They also managed to calculate the value of cost of goods sold and hence to obtain correct figure for gross profit and net profit. Moreover, they were able to prepare statement of financial position (balance sheet). This shows that those candidates had sufficient knowledge on the concept of *Financial Statements* however, their marks variations depended on the correctness of entries and calculations. A sample of such responses is shown in extract 5.1.

Extract 5.1

5			
TRADING AND PROFIT AND LOSS ACCOUNT OF			
M/s MASUJO FOR THE YEAR ENDED 31 st MARCH			
2011.			
Opening stock	124600	Sales	806500
Add: Purchases	453800	less: sales returns	(5100)
less: Purchase return	(9300)		801400
	444500		
less: drawings	(3700)		
	440800		
	565400		
less: closing stock	(201000)		
	364400		
Gross Profit c/d	437000		
	801400		801400
Discount allowed	11700	Gross profit b/d	437000
Salaries & wages	176200	Discount received	3900
Add: Accrued wages	4900	Provision for bad debts	680
	181100		
Motor van running exp.	39100		
Sundry expenses	11400		
Rent & rates	3200		
less: prepaid rates	(7900)		
	24100		
Bad debts	3750		
Add: Additions b/d	2700		
	6450		
Depreciation			
- Motor van	20000		
- Office equipment	14400		
Net profit	133830		
	441580		441580

57	BALANCE SHEET OF MIS MAJUD AS AT 31 st MARCH 2011		
	<u>ASSETS</u>		
	Non-current assets / Fixed assets		
	Motor van	125 000	
	less: Provision for depreciation		
	depreciation (38 000 + 20 000)	(58 000)	67 000
	Office equipment	96 000	
	less: Provision for depreciation		
	depreciation (21 500 + 14 400)	(35 900)	60 100
			127 100
	<u>Current assets:</u>		
	Closing stock		201 000
	Debtors	128 700	
	less: (New and old provision		
	for bad debts) (2 520 + 2 700)	(5 220)	123 480
	Bank		80 400
	Cash		600
			405 480
	Add: prepaid rent and rates		7 900
	Total assets		540 480
	<u>financed by:</u>		
	capital	384 450	
	Add: Net profit	133 830	
		518 280	
	less: Drawings (70 000 + 3 700)	(73 700)	444 580
	<u>Current liabilities</u>		
	creditors		91 000
	Add: Accrued salaries and wages		4 900
			540 480

Extract 5.1 shows a sample of the response from the script of a candidate who managed to prepare trading, profit and loss accounts and record transactions correctly in those accounts for the year ending 31st March, 2011 as well as a Balance Sheet as at that date.

However, some of the candidates who performed moderately in this question managed to enter some of the transactions correctly but failed to meet the demand of the question in other parts. Some of them failed to calculate the amount of accrued salaries and wages, rent and rates prepaid and bad debts.

The candidates who performed poorly in this question scored from 0 to 5 marks. This category showed weaknesses in various aspects including failure to: understand the demand of the question, calculate the amount of accrued salaries and wages, rent and rates prepaid and bad debts. Furthermore, they failed to calculate the value of cost of goods sold and hence to obtain incorrect figure for gross profit and net profit. Moreover, they were unable to prepare statement of financial position (balance sheet). This shows that those candidates had inadequate knowledge on the concept of Financial Statements. Extract 5.2 illustrates a sample of incorrect responses.

Extract 5.2

Profit & Loss ACCOUNT				
6.	DATE	PARTICULARS	Dr	Cr
	1/1/20	Opening Stock	124,600	
		purchases and Sales	483,200	206,500
		Sales and purchases returns	5,100	9900
	1/1/20	Provision for depreciation		32,000
		Salaries and wages	176,200	
	1/1/20	pr. accn for depreciation		21,500
		Motor Van running expense	39100	
		Bad debts	3750	
		General expenses	11400	
		Rent and Rates	32000	
		office equipment	96000	3900
		Discount	11200	3900
		Motor Van at Cost.	125000	
	1/1/20	Provision for doubtful		
		Drawings	79000	3200
		Capital		324450
		Cash	600	
		Bank	80400	
			32300	
			1229150	1261450
				32800

5	BALANCE SHEET		
	PARTICULARS	D/R	C/R
	31 mar 2011		
	Sales	453,800	806,500
	Purchase	51000	9,300
	Discount	11,200	9,300
	Stock 2011		
	Motor van	126,000	
	office equipment	96,000	
	Travis motor van		38,000
	provis office		21,500
	Sales and wages	176,2000	
	runn expen	39,100	
	Rat and reb	32,000	
	Bad debt	3,750	
	17 April 2010		3,200
	Debtors at credit	1250,700	
	Bank	80,400	
	Cash	600	
	Drawers	70,000	379,450
		<u>1,357,850</u>	<u>1,357,850</u>

Extract 5.2 shows a sample of the response from the script of a candidate who lacked knowledge of financial statement. This candidate failed to record transactions in the trading, profit and loss accounts as well as a Balance Sheet as at that date.

2.6 Question 6: Incomplete Records and Non-Profit Making Organizations

The question had two parts (a) and (b). In part (a) the candidates were required to use the information provided to prepare statements of affairs at the end of years 2010 and 2011 as well as statement of profit or loss for the year ending 31st December, 2011 while in part (b) the candidates were required to prepare receipts and payments account as well as subscription account for the year ending 31st December, 2011.

The question was attempted by 85 percent of all the candidates. The performance of the candidates was as follows: 50.7 percent scored from 0 to 5.5 marks, 22 percent scored from 6 to 9.5 marks, 17.4 percent scored from 10 to 14.5 marks and the rest 9.9 percent scored

from 15 to 20 marks out of 20 allotted and this includes 14 candidates who scored full marks in this question. The performance of the candidates in this question was moderate.

The candidates who performed well in part (a) demonstrated a good knowledge on the concept of *Single Entry System*. They were able to meet the requirement of the question and hence they managed to prepare statements of affairs at the end of years 2010 and 2011 as well as statement of profit or loss for the year. One of such responses is shown in extract 6.1.

Extract 6.1

k) iv STATEMENT OF AFFAIRS AT THE END 2010 1 JANUARY			
Liabilities	Amount	Assets	Amount
Opening balance	358,000	Fixed Assets	
		Equipment	50,000
		Furniture	40,000
Current liabilities (creditors)	300,000	Current Assets	
		Cash at bank	45,000
		Cash in hand	3,000
		Stock	400,000
		Debtors	120,000
	658,000		658,000

iv STATEMENT OF AFFAIRS AT THE END 31 st DECEMBER 2011			
Liabilities	Amount	Assets	Amount
Opening balance	603,500	Fixed Assets	
		Equipment 50,000	
		less: Depreciation 2,500	47,500
		furniture 40,000	
		less: Depreciation 4,000	36,000
Current liabilities (creditors)	200,000	Current Assets	
		Cash at bank	30,000
		Cash in hand	40,000
		Stock	450,000
		Debtors	200,000
	803,500		803,500

6	Statement of Profit and Loss for the year 31 Dec 2		
	Capital as at end 2011		603 500
	Add: Drawings	40 000	40 000
			643 500
	less: Capital Introduced	60 000	
	Capital as at end		
	2010	358 000	418 000
	Profit as at 31 st December		
	2011		22 5500

Extract 6.1 shows a sample of the response from the script of a candidate who produced correct responses. This candidate managed to record all transactions correctly in the statements of affairs and statement of profit or loss for the year.

On the other hand, the candidates who performed poorly in part (a) lacked the knowledge of the concept of Single Entry System. They were unable to prepare statements of affair at the end of years 2010 and 2011 as well as statement of profit or loss for the year ending 31st December, 2011. Furthermore, they failed to record transactions correctly in those statements. One of such responses is shown in extract 6.2.

Extract 6.2

6.2 STATEMENT PROFIT OR LOSS FOR THE YEAR ENDED 31/12/20			
cash at hand	30,000	profit and loss 60,000	
	30,000		
	60,000		60,000
cash in hand	40,000	profit and loss 80,000	
	40,000		
	80,000		80,000
stock in trade	450,000	profit and loss 900,000	
	450,000		
	900,000		900,000
debtors	200,000	profit and loss 400,000	
	200,000		
	400,000		400,000
creditors	200,000	profit and loss 400,000	
	200,000		
	400,000		400,000
equipment	50,000	profit and loss 100,000	
	50,000		
	100,000		100,000
furniture	40,000	profit and loss 80,000	
	40,000		
	80,000		80,000

Extract 6.2 shows the candidates' incorrect response. He/she failed to record transactions correctly in the statement of profit or loss for the year.

The candidates who scored high marks in part (b) were able to meet the demand of the question and had adequate knowledge on the topic of *Non-Profit Making Organizations*. They managed to enter transactions in the receipts and payments account, adhered to the principles of double entry system and they brought forward the correct amount of closing balance. Furthermore, they managed to post the transactions to the appropriate sides of the subscription account. Extract 6.3 illustrates a sample of correct responses.

Extract 6.3

(fb) DB		Subscriptions Account		31 December 2011 CB	
Date	Particulars	Amount	Date	Particulars	Amount
1/1/11	Balance b/d	15 000	1/1/11	Balance b/d	
	(due)			(Advance)	12 000
	To Income and				
31/12/11	Expenditure	512 000		CASH	500 000
31/12/11	Balance c/d		31/12/11	Balance c/d	
	(Advance)	7 000		(due)	22 000
		534 000			534 000
1/1/12	Balance b/d		1/1/12	Balance b/d	
	(due)	22 000		(Advance)	7 000
Maji Matifu Medical Aid Society;					
DB		Receipts and Payment Account		CB	
Particulars	Amount	Particulars	Amount		
Balance b/d (cash)	80 000				
		Medicine Supply	300 000		
Subscriptions	500 000	Honorarium	100 000		
Donations	150 000	Salaries	280 000		
Interests on		Sundry Expenses	10 000		
Investments	90 000	Equipment Purchase	150 000		
Charity Collections	125 000	Charity Expenses	15 000		
		Balance c/d			
		(Cash)	90 000		
	945 000		945 000		
Balance b/d	90 000				

In extract 6.3 the candidate managed to open receipts and payments as well as subscription accounts and enter transactions correctly.

On the other hand, the analysis of the candidates' responses indicated that, the candidates who scored moderately had insufficient knowledge on the concept of *Subscription Account*. Some of them were able to record some of the transactions correctly in this account but failed to adhere to the principles of double entry system in other parts.

The candidates who scored lower marks in part (b) had inadequate knowledge on the topic of *Non-Profit Making Organizations*. Some of them failed to enter transactions in the receipts and payments account, adhere to the principles of double entry system and failed to bring forward the correct amount of closing balance. Furthermore, they were unable to enter transactions to the appropriate sides of the subscription account. Extracts 6.4 and 6.5 illustrate samples of incorrect responses.

Extract 6.4

6. (b) MAJIMATITU MEDICAL AID SOCIETY	
TO PREPARE RECEIPTS AND PAYMENTS ACCOUNT	
THE YEAR ENDED 31 ST DECEMBER 2011	
PAYMENTS	RECEIPTS
Balance b/d in hand 80,000	Donation 150,000
Salaries 280,000	Honorarium to doctors 100,000
Sundry expenses 10,000	Collection 125,000
Charity expenses 15,000	Subscription 512,000
	Stock of medicine 150,000
	Medicine Supply 34,000
	Value of equipment 86,000
	Value of building 480,000
	interest investment 8,100

In extract 6.4 the candidate failed to enter transactions correctly in the receipts and payments account.

Extract 6.5

66 Dr	Subscription Acc	LR	
1/1/2011 Balance b/d	500000	1/1/2011 Balance b/d prepaid	22000
	15000	31/12/2011 Cash	80000
31/12/2011 Balance b/d	515000	31/12/2011 Balance f/d	102000
1/1/2011/17 Balance b/d carryn	7000		413000
		Balance f/d	515000
8/1/11/17 Balan Incom Expenditure	2000	Balance f/d prepaid	928000
	406000		
	928000		928000

Extract 6.5 shows a sample of the response from the script of a candidate who failed to enter transactions correctly in the subscription account.

2.7 Question 7: Depreciation

The candidates were required to show van account, accumulated provision for depreciation account as well as van disposal account for the years ending 31st December, 2001, 2002, 2003, 2004 and 2005.

The question was attempted by 81.2 percent of the candidates. The analysis of the candidates performance in this question shows that 37.5 percent scored 0 mark, 34.6 percent scored from 0.5 to 5.5 marks, 15.6 percent scored from 6 to 9.5 marks, 10.1 percent scored from 10 to 14.5 marks while the rest 2.2 percent scored from 15 to 20 marks out of 20 allotted marks. These data indicate that the candidates' performance in this question was poor.

The candidates who performed poorly were able to open van, provision for depreciation and van disposal accounts but they recorded unrelated entries in those accounts because the amount of depreciation they calculated per year was incorrect. Most of them failed to use the right formulae in calculating the value of depreciation per annum. This indicates that they were not familiar with the concept of *Depreciation of Non-Current Assets*. One of such responses is shown in extract 7.1.

Extract 7.1

7 Depreciation schedule.				
	NO. OF VANS.	AMOUNT	YEARS.	SOLD.
	1	800000	2001	2009
	2	500000	2001	2006
	3	900000	2003	
	4	720000	2003	
	1 st motorvan			
	Depreciation			
	20×800000			
	100			
	1 st motorvan depreciation = 160000.			
	2 nd motorvan			
	Depreciation			
	20×500000			
	100			
	2 nd motorvan depreciation = 100000.			
	3 rd motorvan			
	Depreciation			
	20×900000			
	100			
	3 rd motorvan depreciation = 180000.			
	4 th motorvan			
	Depreciation			
	20×720000			
	100			
	4 th motorvan depreciation = 144000.			

7		DR. VANS A/C.		CR.	
	1 st January 2001	800000	Profit & Loss A/c	2,920,000	
	1 st January 2001	500000			
	1 st July 2003	900000			
	1 st October 2003	720000			
		<u>2920000</u>			<u>2,920,000</u>
<hr/>					
DR.		PROVISION FOR DEPRECIATION A/C.		CR.	
	1 st Jan 2001 bal b/d	800000	31 st Jan 2001 P&L A/c	571000	
	Disposal	229000	Balance c/d	<u>571000</u>	
	1 st Jan 2001 bal b/d	500000			
	Disposal	5000	31 st Jan 2001 P&L A/c	445000	
			Balance c/d	<u>445000</u>	
	1 st July 2003 bal b/d	900000	P & L A/c	900000	
	1 st October 2003	<u>720000</u>	P & L A/c	<u>720000</u>	
<hr/>					
		DISPOSAL A/C			
	1 st January 2001	229000	Balance c/d	<u>229000</u>	
	January 2001	<u>5000</u>	Balance c/d	<u>5000</u>	

The candidate in extract 7.1 opened van, provision for depreciation and van disposal accounts but failed to calculate the value of depreciation per annum and used incorrect amount of depreciation to record in those accounts.

It was further observed that, most of the candidates who performed moderately in this question managed to open van and provision for depreciation accounts but failed to open van disposal account. Furthermore, they were unable to calculate the amount of depreciation required in each year. This indicates that they had no enough knowledge on the concept of *Depreciation of Non-Current Assets*.

Few candidates (25.7%) who performed well in this question managed to prepare van, provision for depreciation and van disposal

accounts and they were able to record all required entries in those accounts. They also managed to calculate the amount of depreciation required in each year which is to be transferred to Income Statement. One of such good responses is shown in extract 7.2.

Extract 7.2

7.		Van Account					
Date	Particular	f	Amount	Date	Particular	f	Amount
1/1/01	Cash		800 000	31/12/01	Balance	9d	1300 000
1/1/01	Cash		500 000				
			13 000 000				1300000
1/1/02	Balance	9d	1300 000	31/12/02	Balance	9d	1300 000
1/1/03	Balance	b/d	1300 000	31/12/03	Balance	9d	2920 000
31/7/03	Cash		900 000				
1/10/03	Cash		720 000				
			2920 000				2920 000
1/1/04	Balance	b/d	2920 000	31/9/04	Van disposal		800 000
				31/12/04	Balance	9d	2120 000
			2920 000				2920 000
1/1/05	Balance	b/d	2120 000	30/6/05	Van disposal		500 000
				31/12/05	Balance	9d	1620 000
			2120 000				2120 000
1/1/06	Balance	b/d	1620 000				
	Year Depreciation	1	2	3	4	Total	
2001		800 000	500 000				
	less: 20% dep	(160 000)	(100 000)				260 000
2002		640 000	400 000				
	less: 20%	(160 000)	(100 000)				260 000
2003		480 000	300 000	900 000	720 000		
	less: 20%	(160 000)	(100 000)	(90 000)	(36 000)		386 000
2004		320 000	200 000	810 000			
	less: 20%	(120 000)	(100 000)	(180 000)	(114 000)		524 000
2005		-	100 000				
	less 20%		(50 000)	(180 000)	(114 000)		374 000

7	Total Dep ff Van 1 = 160 000 + 160 000 + 160 000 + 120 000	
	= 600 000	
	Total dep ff Van 2 = 100 000 + 100 000 + 100 000 +	
	100 000 + 50 000	
	= 450 000	
	DR Accumulated provision for depreciation a/c CR	
	31/12/01 Balance b/d 260 000	31/12/01 Profit & Loss a/c 260 000
		31/12/02 Balance b/d 260 000
	31/12/02 Balance b/d 520 000	31/12/02 Profit & Loss 260 000
		520 000
		520 000
		1/1/03 Balance b/d 520 000
	31/12/03 Balance b/d 906 000	31/12/03 Profit & Loss 386 000
		906 000
		906 000
	31/12/04 Van disposal 600 000	1/1/04 Balance b/d 906 000
	31/12/04 Balance b/d 850 000	31/12/04 Profit & Loss 544 000
		1450 000
		1450 000
	31/12/05 Van disposal 450 000	1/1/05 Balance b/d 850 000
	31/12/05 Balance b/d 774 000	31/12/05 Profit & Loss 374 000
		1224 000
		1224 000
		1/1/06 Balance b/d 774 000
	DR Van disposal a/c CR	
	30/9/04 Van 800 000	30/9/04 Cash 229 000
	31/12/04 Profit & Loss 29 000	31/12/04 Provision for depreciation 600 000
		829 000
		829 000
	30/6/05 Van 500 000	30/6/05 Cash 5 000
		31/12/05 Provision for depreciation 450 000
		31/12/05 Profit & Loss 45 000
		500 000
		500 000

Extract 7.2 presents the work of candidate who performed well in this question. The candidate managed to prepare van, provision for depreciation and van disposal accounts and recorded transactions correctly.

3.0 Conclusion and Recommendations

3.1 Conclusion

The analysis given in this report has shown some of the potentials the candidates had in Book Keeping subject. The most notable strengths shown include the candidates' ability to: identify the task of the questions and follow instructions, perform various calculations, record transactions correctly and apply most principles related to the subject. Moreover, most candidates performed well in the questions which were set from the topics of *Financial Statement and Books of Prime Entry* and all the topics which were tested in multiple choice questions since most of candidates scored 30 percent and above, (See Appendix).

Even though, most of the candidates performed well in the topic of *Incomplete Records and Non-Profit Making Organization*, teachers should put more efforts in teaching these topics and provide more exercises to the students.

It has been noted that some candidates experienced problems in answering questions which involved problem solving and calculations; for instance, all the candidates who attempted question 7 only 12.3% of them scored a half and above of the marks allotted. Moreover, questions 4(a) which involved calculations had lowest performance whereby 80.7 percent scored absolute zero.

Another serious problem was inability of some candidates to express themselves in English Language. This problem was experienced more in question 3.

3.2 **Recommendations**

In order to improve the performance of the future candidates, it is recommended that:

- (a) Teachers should guide students to identify specific tasks of the questions.
- (b) Students should be encouraged to solve as many questions as possible. Through practice, they will learn different techniques of solving problems and tackling examination questions.
- (c) Students should have enough time to practice using English Language. They should be given a lot of tasks which will help them write, speak, read and listen to various English texts. This will eventually help them to improve their communication skills which is a contributing factor to their poor performance in the examination.
- (d) Teachers should put more emphasis in teaching the principles of double entry system.

Appendix

Summary of Analysis of Performance of Candidates in Each Topic

S/N	Topic	Question Number	Percentage of Candidates Who Scored the Average of 30 Percent and Above	Recommendation
1	Elementary Trading, Profit and Loss Account, Partnership accounts, Financial Statement, Books of Prime Entry, Adjustments, Depreciation, Bank Reconciliation Statement, Capital Expenditure and Revenue Expenditure, Departmental account and Trial Balance	1	77.7	Good
2	Financial Statements	5	67.3	Good
3	Books of Prime Entries	2	51.2	Good
4	Incomplete Records and Non-Profit Making Organizations	6	49.3	Average
5	Depreciation	7	27.9	Weak
6	Non-Profit Making Organizations and Elementary Balance Sheet	3	4.7	Weak
7	Adjustment, Bill of Exchange and Single Entry System	4	4.7	Weak

