**GATITU MIXED SCHOOL**

**FORM 3 BUSINESS STUDIES END TERM EXAM 2015**

1. Explain 4 errors that a trial balance does not recognize. 8 marks
2. The following transactions belong to Mombasa enterprises. Record the transactions in the relevant ledger accounts and:

(a) Balance off the accounts

(b) Extract a trial balance

© draw a balance sheet as at 31st June 2015 (20 marks)

2005- June 1 started the business with sh 200 000 cash

2 deposited sh 150 000 in business bank account

3 bought goods sh 15 000 cash

4 bought a car for sh 40 000 by cheque

5 paid insurance sh 15 000 by cash

6 purchased goods from Kilifi traders on credit sh 20 000

7 sold goods for sh 15000 cash

8 sold goods on credit to Jim sh 5 000

9 returned goods to Kilifi traders sh 2000

10 sold goods worth sh 10 000 by cheque

11 returns from Jim sh 500 cash

12 proprietor to take away sh 3000 for personal use

13 paid kilifi traders sh 8000 by cheque

14 owner converted his own personal house into business premises sh 100 000 and paid postage sh 200 by cash

15 bought goods by cheque sh 10 000

16 paid wages sh 7000 by cheque

17 sold goods to Jim on credit sh 4000

18 Jim paid sh 5000 cash

3. State two uses of a trial balance. (2 marks)