



**KISII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**

**SECOND YEAR EXAMINATION FOR THE AWARD OF THE DIPLOMA**  
**DIPLOMA IN AGRICULTURAL AND APPLIED ECONOMICS**  
**FIRST SEMESTER 2022/2023**  
**(SEPTEMBER - DECEMBER, 2022)**

**AGEC 0243- FARM RECORDS AND ACCOUNTS**

**STREAM: Y2 S1**

**TIME: 2 HOURS**

**DAY: WEDNESDAY, 3:00 P.M – 5:00 P.M**

**DATE: 07/12/2022**

***INSTRUCTIONS:***

- 1. Do not write anything on this question paper.***
- 2. Answer ALL Questions in section A (Compulsory) and any other TWO***

**Section A- (30marks)-Compulsory**

- a) Highlight **five** advantages of farm layout and rotation (5 marks)
- b) From the following information of Mr. John Mengo holdings ltd in the year 2017 December;

	<b>Kshs.</b>
Opening stock	60,000
Sales	580,000
Purchases	400,000
Returns outwards	20,000
Returns inwards	50,000
Closing stock	70,000
Carriage outwards	8,000

Carriage inwards	5,000
Rent	32,000
Wages and salaries	30,000
Commission allowed	14,000
Commission received	16,000
Capital	818,000
Premises/buildings	540,000
Machinery	200,000
Fixtures and fittings	100,000
Debtors	40,000
Bank	25,000
Creditors	40,000

Additional information; Closing stock was valued at kshs. 70,000.

**Required;**

- i. Prepare John Mengo's Trail Balance as at December 2017. (10 marks)
- ii. Prepare MANGO's trading profit and loss account for the year ended at December 2017 (10marks)
- iii. Prepare balance sheet as at December 2017 (5 marks)

**Section B (40 marks)**

2. The following information relates to item Q002 stocked by Mutaka products Ltd for the month of April 2014:

Date	Receipts	Issues	Unit cost (Sh)
	Units	Units	
April 3	2,400		20
4		3,200	
6	2,600		18
12		2,700	
14	3,000		24

18	2,800		22
20		2,200	
22	2,600		21
25		3,800	
26	3,100		23
27	2,500		24
28	3,200		27
29		6,900	

The closing balance for March 2014 was a batch of 2,900 units received at a unit price of Sh 21.

**Required:**

- i. Stores perpetual inventory record for item Q002 for April 2004 under FIFO system of stores issues. (15 marks)
  - ii. Closing stock valuation under the system (5marks)
2. a) Explain **five** functions of management in a farm (10 marks)
- b) Explain **Three** types of accounts to be prepared in a firm. (6 marks)
- c) Differentiate between partial budget and complete budget (4 marks)
3. a) Discuss **five** objectives of preparing farm records in an organization (10 marks)
- b) Explain any **five** accounting documents in a farm set up. (10 marks)
4. a) Highlight **five** significance of farm planning and budgeting in an organization (10 marks)
- b) Discuss **five** methods used to measure performance in a farm (10 marks)