



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE AWARD OF THE DEGREE OF
BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION
SECOND SEMESTER, 2023/2024
(JANUARY-APRIL, 2024)**

AGBM 210: COST AND ACCOUNTING PROJECTS

STREAM: Y2 S2

TIME: 2 HOURS

DAY: FRIDAY, 3:00 – 5:00 P.M.

DATE: 19/04/2024

INSTRUCTIONS

- 1. Do not write anything on this question paper.***
- 2. Answer Question ONE and any other THREE Questions.***

SECTION A (30 MARKS)-Compulsory

- a) Calculate the cost slopes and the critical path of the following network:

Activity	Preceding activity	Time-normal	Time-crash	Cost-normal Ksh	Cost-crash Ksh
1	-	6	4	500	620
2	-	4	2	300	390
3	1	7	6	650	680
4	1	3	2	400	450
5	2,3	5	3	850	1000

- b) Construct a least cost schedule for the network in question 11 showing all durations from normal time- normal cost to crash time –crash cost.

QUESTION TWO (20 MARKS)

Tido ltd buys and sells products Q3. It values stock on the basis of LIFO. As at 1st June 2001 stock in hand consisted of 4500 units which was acquired at sh 50 per unit. The operations for the month were as follows.

Date	Purchase	Sales
1	5000 @ sh 48	6000 @ sh 60
4		
5	5500 @ sh 49	
7	4000 @ sh 50	
11		7000 @ sh 61
12	5000 @ sh 50	
13	6000 @ sh 47	
18		7000 @ sh 61
19		8000 @ sh 64
20	6000 @ sh 49.50	
21		5000 @ sh 65
22	7000 @ sh 50	
25	6000 @ sh 49	
26	2000 @ sh 47	
28		500 @ sh 60
29		14000 @ sh 64

The company incurred operating of sh 450,000 during the month.

Required:

- a) Store ledger
- b) Closing stock valuation
- c) Trading account for the month

QUESTION THREE (10 MARKS)

HZ Construction Company acquired a contract for the construction of a dual carriage way from Nairobi at cost of 200 million. The data relating to the contract for year ended 31st December 2009 was as follows.

	Sh ,,000*
Material issued to site	80000
Material purchase locally	15700
Direct wages paid	15800
Direct wages accrued	350
Plant purchased and installed	48800
Direct expenses paid	1780
Direct expenses accrued	70
Electricity charges	180
Materials returned to store	850
Work certified	150000
Cost of work not certified	3800
Material in site at 31/12/09	5330
Value of plant on 31/12/09	41500

The company had received from the client payment amounting to 126 million.

Required:

- (i) Contract account
- (ii) Contractee account
- (iii) Balance sheets extract showing work in progress.

QUESTION FOUR (20 MARKS)

The following are the transactions of Kimmja started business on 1st January 2004 with sh 650,000.

- Jan 2 Paid cash for stationery Sh 5,000 and postage Sh. 3,250
- Jan 3 Bought furniture for cash Sh. 50,000 and machinery for sh. 80,000
- Jan 4 Purchased goods for cash sh. 140,000
- Jan 5 Sold goods for cash Sh 800,000
- Jan 8 Purchased goods from Muna enterprise Sh. 111,000 on credit
- Jan 10 Paid rent for the year Sh. 340,000
- Jan 10 Bought computer for Sh. 25,000 from comptech Ltd on credit
- Jan 12 Sold goods on credit to Wikali for Sh. 120,000
- Jan 13 Sold goods to Kamau for Sh. 220,000 on credit
- Jan 17 Withdrew cash for personal use Sh. 220,000
- Jan 20 Paid general expenses Sh. 10,000
- Jan 22 Received from Kamau Sh. 51,900
- Jan 23 Cash sales Sh. 15,900
- Jan 23 Cash purchases Sh. 12,000
- Jan 24 Paid Muna Sh. 90,000
- Jan 25 Bought goods worth Sh. 300,000 from Maleck on credit and supplied them to Bibilu for Sh. 340,000 on credit

Required:

Draw the books of account and extract the trial balance as at 31st January 2004. (15marks)