

EXAMINATIONS COUNCIL OF ESWATINI

JC

EXAMINATION REPORT

FOR

BOOKKEEPING AND ACCOUNTS

YEAR

2020

JC EXAMINATION REPORT

FOR 2020

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JC BOOKKEEPING AND ACCOUNTS

Paper 520/01

General Comments

The paper comprised of five questions, ten multiple choice items and four others which consisted of structured and theory type questions. The overall performance of the candidates was fair since there was a balance in the performance of the different centres. However, worth noting that most candidates in some centres scored very low marks which was worrying.

Most candidates were unable to interpret transactions from ledger accounts. This was the case with question 3c where they were required to explain the entries on the purchases account. They also could not respond accordingly to theory questions, in cases where they made an attempt, they would write general statements.

Teachers are advised to expose candidates to theory questions and higher order questions for them to be able to attempt questions confidently during examinations.

Comments on Specific Questions

Question 1

This question comprised of 10 multiple choice questions. Candidates were required to answer all questions by selecting the response they consider correct and writing the letter in the box to indicate the correct answer. The performance in this question was above average for most candidates which indicates that teachers have exposed candidates to these questions. However, some candidates showed lack of practice in this question, these candidates scored very low marks or even zero. Teachers are encouraged to expose candidates to these questions.

Question 2

- (a) (i) In this part of the question, candidates were required to state the reasons why the bank dishonoured a cheque. Candidates responded with wrong terms like; amount is the same, no amount, damaged, wet etc. The correct or expected answers were; amount in words is not the same with amount in figures, stale, post-dated, insufficient funds, incompletely filled etc.
 - (ii) The part of the question, required candidates to explain a stop order, bank charges dividend and dishonoured cheque. Candidates demonstrated lack of knowledge on the above items. They left out key phrases like 'regular payments' for the stop order; 'charges for operating the account' for bank charges and 'refused payment for a dishonoured cheque. Most candidates failed to explain what a dividend is? Actually very few candidates got this on correct. The correct response was –a dividend is a sum of money paid by a company to its shareholders, normally quarterly out of its profit.
- (b) In this part of the question, candidates were required to prepare a supplementary cashbook. A majority of candidates failed to use the correct column which was the bank column. They confused the cashbook balance with the balance as per bank statement.
 - (c) The part of the question was fairly done since most candidates were able to identify unrepresented and uncredited cheques as items to be shown in the bank reconciliation statement. However, most candidates failed to identify that the balance as per cashbook was an overdraft. They were writing balance as per cashbook instead of overdraft as per cashbook.

Question 3

- (a) The part of the question required candidates to state the account to be debited and to be credited. Most candidates performed fairly well. Some candidates gave general responses yet the transaction was specific, for instance, “debtor” instead of “D. Dlamini”.
- (b) In this part of the question expected candidates to identify and explain the duality concept. Most candidates were able to identify and explain the concept, however some wrote and explained the ‘double entry system’ instead of duality’
- (c) This part of the question required candidate to explain the entries in the purchases account. Most candidates failed to explain the entries in the purchases account and it was poorly done. Teachers are encouraged to expose their learners to higher order questions. The responses were as follows:
- Feb 1 Total purchases amount from the previous month
 - Feb 15 Goods bought by cheque
 - Feb 22 Goods bought for cash
 - Feb 28 Goods bought on credit during the month of February
 - Feb 28 Amount transferred to income statement.

Question 4

- (a) In this part of the question was well attempted by most candidates even though in most cases they repeated one and the same point. For example, quick decision making and no consultation. Candidates also failed to articulate and express their points.
- (b) Most candidates were able to state reasons for calculating profit though some candidates repeated the same point using different wording which resulted to loss of marks.
- (c) In this question, candidates were required to identify and explain the concept used when a non-current asset is shown the same value in 2020 yet it was bought in 2017. Almost half of the candidates failed to identify and explain the concept. Some were writing depreciation instead of “historical cost concept”. However, those who identified the concept were able to explain it clearly.
- (d) This part of the question, asked candidates to prepare a statement of financial position. Most candidates displayed a greater level of preparing a statement of financial position. However, some candidates listed the balances without classifying them either into ‘non-current assets and current assets’ or ‘owner’s equity, “non-current liability and current liability”. Some candidates displayed lack of knowledge since they prepared an income statement instead of the statement of financial position which resulted in loss of marks. Another mistake by some candidates, was confusing the vertical format and the horizontal formats, they combined the two formats.

Question 5

- (a) This part of the question required candidates to distinguish between trade payables and trade receivables. Most candidates confused trade payables for trade receivables and vice versa. Some candidates referred to these items as money instead of individuals or businesses. For example, they would say trade payables are money owed by the business instead of referring to trade payables as individuals or businesses owed by the business.
- (b) In this part of the question, candidates failed to open ledger accounts. Some candidates gave the details of the ledger account as sales journal instead of sales. Some posted the entries to the credit side of the ledger instead of the debit side. Some candidates continued to omit dates which resulted in the loss of marks.
- (c) (i) In this part of the question. Candidates were required to calculate the amount to be paid by Yellow trader to Sihle. They failed to realise that a trade discount has already been deducted from the sales journal figure.

- (ii)** In this part of the question, candidates were required to identify the subsidiary book for recording the payment to Sihle which was the cashbook. Candidates were giving wrong responses such as sales journal and purchases journal.
 - (iii)** This part of the question required candidates to debit the bank and discount and then credit Yellow trader. Most candidates failed to give the correct response mainly because of the wrong figure obtained in (i) above.
- (c)** This part of the question required candidates to give and explain the concept observed by Sihle in the scenario. Some candidates were able to identify the concept but could not explain what it means which resulted in them losing marks.

JC BOOKKEEPING AND ACCOUNTS

Paper 520/02

General Comments

The paper comprised of five questions which consisted of structured and theory type questions. The overall performance of the candidates was fair but it was worth noting that some centres scored very low marks which maybe a reflection of unpreparedness for the examination.

Some candidates did not know cash book columns which made them lose marks. Most centres did well on the theory questions although most candidates still find it very difficult to express themselves clearly.

Comments on Specific Questions

Question 1

- (a) (i) Most candidates had difficulty explaining '**statement of account**'. Most candidates explained a statement of account as a statement issued when goods are bought and sold on credit instead of stating that it is a summary of all transactions that have taken place between the buyer and the seller during the course of the month.
- (ii) This part of the question was very well done by most candidates as they were able to give reasons for sending a statement of account.
- (b) (i) Most candidates were able to fill in the required details of the statement of account.
- (ii) This part of the questions was poorly done by most candidates which resulted in loss of marks. Most candidates dismally failed to explain the transactions between Lwazi Stationers and BBS Supplies.

Question 2

- (a) In this part of the question, candidates were given four accounting terms which they were expected to explain. These accounting terms were; turnover, fixed assets, subscription and revenue. Most candidates did very well in this part of the question although the explanation of the accounting term '**subscription**' was a challenge to some centres as some candidates were unable to state that a subscription is an annual or monthly contribution made by members of an organisation to remain members.
- (b) This part of the question required candidates to differentiate between current liabilities and non-current liabilities and give an example of each. Most candidates did well in this question although some candidates were explaining current liabilities as a 'liabilities' yet they were expected to unpack the term liabilities and this resulted in the loss of marks. The same applied to the explanation of non-current liabilities. Most candidates were however able to give correct examples.
- (c) This part of the question required candidates to show the effect of transactions on assets, capital and liabilities. A majority of the candidates could not identify the effects of some of the transactions thus resulting in the loss of marks. Some candidates did not follow the given instructions as they were instructed to write as their answers; increase, decrease or no effect. Some candidates were writing (+) for increase and (-) for decrease and also 'effect'.

Question 3

This question required candidates to record transactions in Mimi's cash book and balance it and show the balance on 1 June 2020. Most candidates were able to write the dates on each transaction and recorded transactions correctly as well. However, there were two transactions that were challenging to most candidates i.e. on 1 may 2020 (cash in hand E2800 and E6000 in the bank). Most candidates were writing the transaction as 'capital' instead of 'balance' which resulted in most losing a mark. Also, the transaction

on 14 May 2020 (paid cash E500 for repairs of Mimi's personal car). Most candidates wrote the transaction as 'repairs' instead of 'drawings' thus resulting in the loss of marks. Some candidates were unable to record in the appropriate columns and this resulted in the loss of marks.

Question 4

- (a) (i) This question required candidates to explain a partnership business. This part of the question was well done by most candidates.
- (ii) This part of the question required candidates to explain two advantages of a partnership business. This was also well done by most candidates.
- (b) In this part of the question candidates were given some information from which they were required to prepare a profit and loss appropriation account. This part of the question was also well done by most candidates.
- (c) This part of the question required candidates to prepare a current account for Sizo. It was fairly well done by most candidates although most candidates were not starting with the opening balance for Sizo yet they had been given.

Question 5

- (a) (i) This question required candidates to explain the meaning of bad debt. Most candidates were unable to explain bad debt properly as most referred to it as a debtor who fail to pay his/her debt or when debtor fails to pay his/her debt instead of 'an expense or loss to the business due to some debtors who were failing to pay'.
- (ii) This part of the question required candidates to state two reasons for writing off bad debts. These reasons were well stated by most candidates.
- (b) This part of the question required candidates to list three ledger account items. They were expected to list; date, detail, amount and account. Most candidate were unable to list these items resulting in the loss of marks.
- (c) In this part of the question, the candidates were given a list of accounts and they were required to state the final account on which those accounts would be recorded. Most candidates did well in this part of the question although some candidates were giving some subsidiary books as their answers instead of final accounts.
- (d) This part of the question required candidates to state the difference between cash and credit transactions. Most candidates were able to give the correct response even though some candidates were very poor in articulating their expressions.
- (e) In this part of the question candidates were given an opening statement which was prepared by an inexperienced bookkeeper and it needed to be corrected and a correct capital amount calculated. Most candidates did not follow the appropriate format of preparing an opening statement i.e. to start with the debit accounts and then followed by the credit accounts. This resulted in most candidates losing marks as a result. Centres are encouraged to assist candidates in differentiating the preparation of an opening statement from a trial balance.