

**EXAMINATIONS COUNCIL OF  
ESWATINI**

**JC**

**EXAMINATION REPORT**

**FOR**

**BOOKKEEPING AND ACCOUNTS**

**YEAR**

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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 as there were several high marks in the performance of different centres. However, it was worth noting that candidates in some centres scored very low marks which was worrying.

Teachers are advised to expose candidates to theory questions so that they can confidently attempt them during examinations as it transpired that most candidates had difficulty in answering these types of questions.

**Comments on Specific Questions**

**Question 1**

This question comprised of 10 multiple choice questions. Candidates were required to answer all the 10 questions.

This question was performed well by most centres except that some letters indicating the answer were not clear, some candidates failed to follow instructions, they circled the answers of their choice instead of writing it in the space provided. Candidates should be encouraged to write clearly.

**Question 2**

**(a)** This part of the question was poorly performed. Most centres failed to understand the keyword “differentiate”, they compared incomparable aspects on bookkeeping and accounting.

**(b) (i)** Candidates from most centres confused users with career options, and internal users with external users. The expected answer was:

user 1-Trade payables/suppliers

Interest: To determine the liquidity status of the business so that they will know whether the business will be able to pay on time

user 2 -Financial institutions

Interest: To determine if they can lend the business money and if so, how much

user 3 - The government

Interest: To determine how much tax the business cooperate must pay

User 4 - Prospective investors

Interest: To decide whether or not to invest their money and resources into the business

**(ii)** A majority of candidates failed to answer the question, the interest for the users were not given as per how they stated them in b (i). Prospective investors and investors were confused, the interest for prospective investors was given for investors and vice versa.

- (b)** This part of the question was poorly done by most centres. Most candidates lacked knowledge of the format or presentation. Some candidates gave narratives which were not required, and also prepared sales and purchases journals instead of the general journal. Some candidates stated the account to debited instead of the account to be credited. Furthermore, some candidates could not separate the journal entries.
- (c)** This part of the question was fairly performed by most centres. Candidates were able to identify the concept while others gave answers like, entity concept, prudence entity and went as far as “error of omission”. The correct concept was business entity as this concept states that a difference is always made between the financial transactions of the business and those of the owner.

### Question 3

- (a)** The performance was not satisfactory in most centres, a majority of candidate failed to define a cheque. A cheque is a document issued to pay a named individual (business) a specified amount of money.
- (b) (i)** The performance in this question was average though some centres gave definitions of the parties to a cheque instead of identifying the parties to a cheque.
- (ii)** Performance in this question was poor, most centres failed to explain the parties to a cheque.
- (c)** The performance in this question was average except that candidates confused the source documents with subsidiary books. Some candidates were careless when giving the relevant subsidiary books. They wrote for instance sales returns instead of sales returns journal, petty cash instead of petty cashbook which resulted to loss of marks. Furthermore, most candidates failed to state the source document for purchases returns.

### Question 4

- (a)** This question was done well by most centres though some gave errors that are revealed by a trial balance. The correct errors are error of omission, error of commission, error of principle, error of original entry, transposition error, complete reversal error, error of compensation.
- (b) (i)** The performance to this question was not satisfactory, only a few candidates gave correct answer which is suspense account.
- (ii)** This part of the question required candidates to prepare a trial balance. It was poorly done by most centres; candidates could not copy the correct amount against each item from the trial balance. For example, Captial – E500 instead of E22000. Some centres went as far as preparing a balance sheet.

- (c) This question was fairly done though some candidates gave an incomplete definition of depreciation like loss of value of a non-current asset and left out the cause of, which is “due to wear and tear”. Some candidates gave responses like “loss of value of an asset” which resulted in them losing marks instead of “loss of value of non-current asset”.
- (d) This part of the question required candidates to calculate depreciation using the straight-line method. This question was fairly done except that some candidates forgot the formula which resulted in them losing marks.
- (e) This part of the question was poorly done, most candidates failed to identify the concept. Some candidates were able to explain the concepts but could not identify the name of the concept.

#### **Question 5**

- (a) This part of the question was dismally performed by most centres. Candidates prepared a cashbook, balance sheet and Income and expenditure account instead of an Income statement. Some centres used the horizontal format which proved to be challenging to them, for example candidates wrote expenses on the credit side and revenue on the debit side which is the opposite of what a correct horizontal format should be.
- (b) This question was fairly done, candidates managed to identify the concept with some failing to explain the concept. The correct concept was prudence concept as a provision should be made for possible losses/revenue should not be recorded before it is earned.
- (c) Candidates performed averagely in this question. Most centres were able to calculate the provision for doubtful debts but failed to get the correct figure for trade receivable, that is, they did not subtract the provision for doubtful from the trade receivable to obtain the new trade receivable amount. Some candidates did not attempt the question at all.

**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 below average as most centres generally did not perform well. However, it was worth noting that some centres scored very good marks which maybe a reflection of preparedness for the examination.

Most candidates did not write dates which made them lose marks. This was mostly the case on question 4(a) where they were required to fill in the given ledger accounts. Centres are advised to emphasise to candidates on the three components of an entry i.e., date, detail and amount. Another concern was in question 5 where candidates were required to prepare an income and expenditure account. Most candidates who had used the horizontal method could not earn marks in that question because they recorded the income on the debit side and the expenditure on the credit side.

Centres are urged not to overlook theory questions when assessing candidates but must expose them to confidently attempt them during examinations as it transpired that most candidates had difficulty in answering these types of questions properly in terms of expressing themselves.

**Comments on Specific Questions****Question 1**

- (a) This question required candidates to prepare a petty cashbook and to restore the imprest at the end of the month and bring down the balance at the beginning of the following month. This part of the question was generally well done by most of the candidates. However, some candidates omitted dates which resulted in the loss of marks. Some candidates did not record in the “total column” and other candidate were using ticks instead of recording amounts on the various expenses columns. Most candidates were unable to restore the imprest amount at the end of the month.
- (b) This part of the question required candidates to prepare a statement of financial position extract where the petty cashbook balance would be recorded. Most candidates got this one wrong which showed a lack of exposure of the statement of financial position extract for the petty cashbook. Centres are advised to expose candidates to this part of the syllabus.
- (c) This part of the question was fairly done by most candidates even though many struggled to explain “cash float” and “imprest”.

**Question 2**

The overall performance on this question was poor.

- (a) In this part of the question, candidates were required to explain capital expenditure, revenue expenditure, capital receipts and revenue receipts and to also give an example of each. Most candidates failed to explain the terms.

- (b)** In this part of the question, candidates were given transactions from which they were required to show their effects on assets, capital and liabilities and calculate the new balances. Most candidates performed poorly on this question because they used the original amounts for assets and liabilities when calculating the new balances instead of the adjusted amounts in the examples already done for them. Only capital was correctly calculated by most candidates possibly because there was no effect on it.
- (c)** In this question candidates were given items with adjustments from which they were required to prepare a statement of financial position. This part of the question was also poorly done by most centres. Most candidates were swapping trade receivables with trade payables, and vice-versa, which showed a lack of understanding of the two terms. Centres are encouraged to pay special attention to these terms.

### **Question 3**

This was the worst performed question in the paper.

- (a)** In this question candidates were given an account of a trade payable (creditor) which had been prepared by a trade receivable (debtor). Candidates were then required to explain the entries as shown in the trade payable account in relation to the trade receivable. Almost all candidates found this question difficult as they got no marks on it. Centres are encouraged to make emphasis on the explanation of entries in the ledger.
- (b)** In this part of the question candidates were asked to state classes of accounts and to also give one example of each class. Most candidates failed to provide the classes of accounts.

### **Question 4**

This question was also poorly done by most candidates. Candidates on this question were given transactions from which they were to record details on accounts already given.

- (a)** Most candidates failed to record the opening balances as given in the question which resulted in loss of marks as this rendered the closing balances to be incorrect. Some candidates did not write dates and details which also resulted in the loss of marks. Centres are advised to give more time on the topic on double entry.
- (b)** On this part of the question, the candidates were given items of accounts and they were to state the division of the ledger in which they were to be recorded. The question was fairly done by most candidates.

**Question 5**

This question was fairly done. However, most candidates who used the horizontal format earned no marks in the income and expenditure account as they recorded the income on the debit side instead of the credit side and vice-versa.

- (a)** In this question candidates were given terms and names of accounts of trading organisations and they were required to state the equivalent term or name of account of a non-trading organisation. It was fairly done by most candidates.
  
- (b)** On this part of the question candidates were given a receipts and payments account and from which they were required to prepare an income and expenditure account. It was also fairly done by most candidates.