



# **EXAMINATIONS COUNCIL OF ESWATINI**

Junior Certificate Examination

**Bookkeeping and Accounts (520)  
Examination Report for 2024**

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**Paper 520/01**

**General Comments**

This paper comprised of five questions, question one had ten multiple choice items and question two to five were structured. The overall performance of the candidates was fair. However, it was worth noting that some candidates in some centres scored very low marks, which is worrying. Teachers are encouraged to adequately prepare candidates for the examination. This involves encouraging candidates to use appropriate accounting terminology. For example, when dealing with non-profit making organisations candidates should use surplus instead of profit.

**Comments on Specific Questions**

**Question 1**

This question comprised of ten multiple choice questions. The performance in this question was fair except for questions **(E)**, **(F)** and **(G)** which were challenging for most centres. Teachers are advised to expose candidates to multiple choice questions.

**The expected answers were:**

- (a) A
- (b) B
- (c) B
- (d) A
- (e) D
- (f) C
- (g) A
- (h) A
- (i) D
- (j) B

**Question 2**

**(a)** This part of the question was poorly done by most candidates. The question required candidates to explain reasons for giving an allowance to customers. Most candidates gave responses like “bulk buying and prompt payment”.

**The expected answers were:**

- Faulty goods
- Damaged goods
- Wrongly supplied goods
- Returning packaging material (empty crates)

- (b) In this part of the question candidates were required to calculate Mandi's purchases. Candidates calculated purchases from both suppliers. Some candidates showed the final answer without the working, yet the question required candidate to 'show their working'.

**The expected answer was:**

Mandi wholesalers

E5000 + E1500

E6500 x 20/100

=E1300

E6500 – E1300

E5200

- (c) This part of the question was challenging for most candidates. Most candidates did not calculate the trade discount before the cash discount which led to them getting wrong amounts.

**The expected answer was:**

E2000 x 20/100 = E400

E2000 – E400 = 1600

E1600 x 05/100

E80

E1600 – 80

= E1520

- (d) This part of the question was fairly done. Some candidates gave the subsidiary book as the journal instead of '**cashbook**', however on the part of the side most of them got it correct by stating '**credit side or payment side**'.

- (e) In this part of the question, candidates performed fairly well. They were able to fill most of the missing information except for items (IX) and (X) where they wrote '**cash discount**' instead of '**trade discount**'.

**The expected answers were:**

(i) Mandi

(ii) Sinky

(iii) 4 September 2024

(iv) E1100

(v) E300

(vi) 6

(vii) Trade

(viii) E1000

(ix) E4000

(x) Cash discount

(f) (i) This part of the question was challenging for most candidates as candidates gave their own meaning of 'VAT'.

(ii) For the current rate of VAT in Eswatini candidates gave 14% instead of 15%.

(iii) Most candidates displayed lack of knowledge on the reason for charging VAT.

**The expected answers were:**

- Increase the sources of tax revenue in the country
- Discourage consumption of certain goods
- Redistribute income and wealth

### Question 3

(a) This part of the question was also fairly done although there were some aspects which led to loss of marks. These included 'missing and wrong dates', wrong balancing. Candidate who did not bring down the balance lost marks since the question required them to bring down the balance.

**The expected answers were:**

			Capital account						
May	31	balance	c/d	8000	May	1	cash		3000
						1	bank		<u>5000</u>
				<u>8000</u>					<u>8000</u>
					Jun	1	balance	b/d	8000
			Sales account						
May	31	balance	c/d	1500	May	12	cash		700
						20	cash		<u>800</u>
				<u>1500</u>					<u>1500</u>
					June	1	balance	b/d	1500
			Rent account						
May	5	bank		2000	May	31	balance	c/d	4000
	30	cash		<u>2000</u>					
				<u>4000</u>					<u>4000</u>
Jun	1	balance	b/d	4000					

				Equipment account					
May	9	bank		<u>3500</u>	May	31	balance	c/d	<u>3500</u>
				<u>3500</u>					<u>3500</u>
Jun	1	balance	b/d	3500					
				Commission Received account					
May	31	balance	c/d	<u>1000</u>	May	25	cash		<u>1000</u>
				<u>1000</u>					<u>1000</u>
					June	1	balance	b/d	1000

- (b) (i)** Most candidates were unable to define a trial balance. They defined the trial balance as a list of transactions or list of accounts which resulted in loss of marks.
- (ii)** The purpose was also not stated accurately by most candidates. Some candidates gave responses including: correcting errors, correcting profit or loss.

**The expected answers were:**

- To check the accuracy of double entry principle during recording.
- To check the accuracy of arithmetic during balancing.
- To enable the preparation of financial statements.

- (iii) This part of the question was poorly done. Only a few candidates were able to draw up the correct trial balance. Most candidates did not include the cash and bank balance instead they balanced their trial balance with a suspense figure which was incorrect.

**The expected answers was:**

Trial Balance as at 31 May 2024

			Dr	Cr
	Capital			8000
	Sales			1500
	Commission received			1000
	Rent		4000	
	Equipment		3500	
	Cash		3500	
	Bank overdraft			500
			11000	11000

#### Question 4

- (a) This part of the question was challenging for most candidates. Candidates who attempted this question could not differentiate between a bank loan and a bank overdraft.

**The expected answers were:**

Bank loan – amount borrowed and payable over a long period of time.

Bank overdraft – a short-term loan due to the account holder withdrawing more money in the bank account than available.

- (b) This question was fairly done since most candidates were able to identify the personal accounts and define them.

**The expected answers were:**

Capital –resources used to start and run the business

Drawings – money or goods taken by the owner for private use.

- (c) This part of the question was poorly done by candidates. Candidates were writing responses like “effect’ instead of ‘no effect’; some wrote decrease or increase. Some candidates were able to indicate the affected account but were unable to state (+) or (-).

**The expected answers were:**

Item	Assets	Liabilities	Expenses	Profit
Paid rent by cheque	-bank	No effect	+expenses	-profit
Goods taken for own use	-inventory	No effect	No effect	-profit
Equipment bought on credit	+equipment	+trade payables	No effect	No effect

- (d) This part of the question was fairly done, however some candidates gave incomes of non-trading concerns yet the question required items that increase profit.

**The expected answers were;**

- Sales
- Discount received
- Commission received
- Rent received
- Decrease in provision for irrecoverable debts



### Question 5

- (a) This part of the question was fairly done. Candidates who used the vertical format performed well, those who used the horizontal format lost marks because they interchanged the sides. For example, they labeled the expenditure side as the income side and income side as the expenditure side. Some candidates included assets in the income and expenditure account which made them lose marks.

**The expected answers were:**

#### Philane Youth Centre

#### Income and Expenditure account for the year ended 31 March 2024

<b>Income</b>		E	E	E
Subscriptions				1020
Donations				840
Tickets sales				1090
Gate collections				<u>1370</u>
				4320
<b>Less Expenditure</b>				
Party expenses			770	
Depreciation: furniture			59	
equipment			78	
Music expenses			280	
Cleaner's wages			840	
Electricity		200		
Add: owing		<u>50</u>	<u>250</u>	<u>2277</u>
<b>Surplus</b>				<u>2043</u>

- (b) This part of the question was not well done. Most candidates confused it with the calculation of working capital and an opening statement. Some candidates showed total assets minus total liabilities; figures without showing the individual items the figures represent, and this made them to loss marks.

**The expected answers were:**

**Philani Youth Centre**

**Accummulated fund as at March 2024**

	Dr	Cr
Cash in hand		1040
Furniture	590	
Equipment	1560	
Trade receivables	980	
Electricity in arrears		50
Bank overdraft		220
Trade payables		430
Accummulated fund		<u>3470</u>
	<u>4170</u>	<u>4170</u>

**Paper 520/02**

**General comments**

The paper comprised of five questions which consisted of structured questions. Overall most centres performed well. There was an improvement in the issue of dates in the ledger accounts although some centres still fail to write the dates correctly. Most candidates did not write the dates in question 4(b) and 5(c) but had correct entries on both the debit and credit side of the supplementary cashbook and the current account. This made them to lose all the marks. Centres are advised to emphasise the three components of each ledger account entry, i.e. date, detail and amount. Centres are urged to prepare candidates for the examination using different command words such as calculate, instead of preparing all the time because the candidates failed to understand what was required for them to do in question 1 (c) where they were required to calculate the net profit.

**Comments on specific questions**

**Question 1**

- (a) The question required candidates to classify items into current assets, non-current assets and current liabilities. This part of the question was generally done well by most centres although some candidates failed to classify the items correctly, especially the adjustments such as rent received, prepaid, wages accrued etc.

**The expected answers were**

Rent receivable – current assets

Rent received prepaid – current liabilities

Inventory – current assets

Motor vehicle – noncurrent asset

Wages accrued – current liabilities

Fittings and fixtures – noncurrent asset

Bank overdraft – current liabilities

Insurance prepaid - current assets

Unused stationery – current assets

Cash at bank – current assets

**(b)** This part of the question was on the explanation of the question of bookkeeping items. It was fairly done by most of the candidates.

- (i)** This part of the question required candidates to explain the term but gave examples and types of liabilities e.g. liabilities are people or firms owed by the business. Candidates also make mistakes with the words owe and own.

**The expected answer was:**

Liabilities are all the amounts the business owe to other individuals and firms.

- (ii)** This part of the question required candidates to define assets. Most of the centres answered this part correctly but some candidates gave examples of assets instead of explaining assets.

**The expected answer was:**

Assets are resources or properties owned by the business.

**(c)** This part of the question was on the accounting equation. Candidates were required to calculate missing figures for assets, liabilities and capital. Most centres were able to give correct figures, but some centres failed to calculate the missing figures for liabilities and capital. The expected answers were

1. E20 000
2. E2 000
3. E60 000
4. E22 000
5. E13 000

## Question 2

- (a) This question required candidates to calculate profit for the year. This part of the question was well done by most centres, but some candidates failed to understand the command word calculate which made them lose a lot of marks. Candidates simply added all the given figures including the bank overdraft which was not part of expenses and income. Candidates failed to understand that they had to prepare an Income Statement.

**The expected answer was:**

KK Investment		
Income Statement for the year ending 31 August 2024		
		E
Gross profit		42 500
Add other income		
Discount received		<u>50</u>
		42 550
Less expenses		
Rent	5 000	
Salaries	20 500	
Depreciation of equipment	750	
Bad debts	<u>300</u>	<u>26 550</u>
Profit for the year		<u>16 000</u>

- (b) This part of the question required candidates to state the reasons why KIC Investment writes off bad debts. Most centres performed well in this part.

**The expected answer was:**

- When a customer has died
- Bankruptcy of the customer
- When the customer is not traceable
- imprisonment of the customer

- (c) This part of the question required candidates to explain the advantages of KIC Investment being a sole trader. Most centres performed well in this part, however some centres were giving disadvantages of a sole trader.

**The expected responses were:**

- Easy to start up the business
- Owner keeps all the profits
- Fast decision making
- She is her own boss / jack of all trades

- (d) This part of the question required candidates to name and explain the accounting concept involved in each statement. In both part d(i) and d(ii) candidates were able to identify the concepts involved but giving a contradictory explanation of the concept. The question was poorly done.

**The expected answers were:**

- (i) Historical concept

Assets are to be recorded at the cost price in the books of accounts

- (ii) Prudence concept

- KK investment must avoid overstating profits

**Question 3**

- (a) This question required candidates to state the division of the ledger for the given accounts. The question was poorly done by most centres. Candidates failed to differentiate between the classes of the ledger accounts and division of the ledger as a result they were giving classes of account instead of the division of the ledger.

**The expected responses were:**

2. creditors/purchases ledger
3. nominal/general ledger
4. debtors /sales ledger
5. nominal/general ledger
6. nominal/general ledger
7. nominal/general ledger
8. nominal/general ledger

- (b) (i) This part of the question was poorly done. Candidates were required to explain the entries in Sethu's bank account on certain dates. Candidates were unable to explain the entries, they gave explanations of purchases, sales cash and drawings.

**The expected answers were:**

June 1 bank account balance from the previous month

June 6 goods sold by cheque

June 22 cash withdrawn from the bank for office use

June 28 the owner withdrew money from the bank for private use

- (ii) This part of the question was well done. Candidates were asked to explain the accounting concept applied by Sethu when posting the entry from the bank account to the drawings account.

**The expected answer was:**

Duality concept

For every transaction there is a giving and receiving aspect

#### Question 4

- (a) (i) This question required candidates to explain the cashbook contra entry. This part of the question was poorly done. Candidates failed to explain but gave examples eg cash deposited into the bank. Some candidates explained the contra entry as a subsidiary book.

**The expected response was.**

Cashbook contra entry – an entry that is made on both the cash account and bank account of the cash book completing double entry.

- (ii) This question required candidates to explain the bank charges. It was also poorly done because most candidates confused it with interest on loan.

**The expected response was;**

Bank charges - charges by the bank for rendering its services to the client.

- (b) This part of the question required candidates to prepare a supplementary cashbook. This part of the question was poorly done because candidates used the wrong columns of the cashbook eg discount and cash column, yet they were supposed to use bank column. Some centres did not write the dates which resulted to a loss of marks.

**The expected answer was:**

Updated cashbook for the month ending 30 September 2024

Date	details	bank (E)	date	details	bank (E)
Sept 30	credit transfer	300	Sept 30	balance b/d	500
Sept 30	interest (investments)	250	Sept 30	bank charges	100
			Sept 30	stop order	2 900
Sept 30	balance c/d	<u>4 050</u>	Sept 30	cheque book fees	<u>1 100</u>
		<u>4 600</u>			<u>4600</u>
			Oct 1	balance b/d	4 050

- (c) This part of the question was fairly done. Candidates were required to prepare the bank reconciliation statement. Candidates failed to identify the overdraft of E350 in the bank statement and E4 050 in the supplementary cashbook which resulted in an incorrect bank reconciliation statement. Some candidates presented the bank reconciliation as a ledger account, others failed to differentiate between unpresented cheques and some reproduced the same given bank statement.

**The correct response was:**

Bank Reconciliation Statement at 30 September 2024

	E	E
Overdraft as per cashbook		4 050
Add uncredited deposits		
Blonde	1 700	
Asakhe	800	
Zizwe	<u>1 900</u>	<u>4 400</u>
		8 450
Less unpresented cheques		<u>8 100</u>
Overdraft as per bank statement		<u>350</u>

**Question 5**

- (a) This part of the question required candidates to explain the advantages of a partnership business. The performance of the candidates was good. However, some candidates gave disadvantages and some were repeating the advantages of a sole trader.

**The expected response was:**

- more capital contribution
- share skills and ideas
- partners can specialize
- Sharing of risk/losses



- (b) This part of the question required candidates to prepare Vezo and Vuli's appropriation account. This part of the question was well done except for a few centres who confuse the horizontal format and vertical format.

**The expected answer was:**

Vezo and Vuli's Appropriation Account for the year ended 30 September 2024

	E	E
Net profit		26 190
+ Interest on drawings: Vezo	480	
Vuli	<u>330</u>	<u>810</u>
		27 000
Interest on capital Vezo	2 000	
Vuli	<u>4 000</u>	
	6 000	
Salary: Vuli	<u>3 000</u>	<u>9 000</u>
		<u>18 000</u>
Shares of profits: Vezo	6 000	
Vuli	<u>12 000</u>	<u>18 000</u>

- (c) This part of the question required candidates to prepare Vuli's current account. The performance of the candidates was good, however, some centres lost marks because they did not write the dates, and they left out the opening balance.

**The expected presentation was:**

Vuli current account			
2024	E	2023	E
Sept 30 drawings	6 000	Oct 1 Balance b/d	600
Sept 30 interest of drawings	330	2024	
		Sept 30 Interest on capital	4 000
Sept 30 Balance b/d	<u>6 670</u>	Sept 30 share of profit	<u>6 000</u>
	<u>13 600</u>		<u>13 600</u>
		2024	
		Oct 1 balance b/d	6 670

- (d) This part of the question required candidates to state one reason why Vezo and Vuli charge interest on drawing. Most of the candidates performed well.

**The expected answer was:**

- to discourage partners from taking too much money or even stock from the business.