



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE NAME											
CENTRE NUMBER											
CANDIDATE NUMBER											

ACCOUNTING **6896/01**
Paper 1 **October/November 2024**
1 hour 45 minutes

Candidates answer on the Question Paper.
No additional materials are required.

READ THESE INSTRUCTIONS FIRST

Write your candidate name, Centre number and candidate number on all the work you hand in.
Write in dark **blue** or **black** pen.
You may use a soft pencil for rough working.
Do **not** use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.
You may use a calculator.

Where layouts are to be completed, you may not need all the lines for your answer.
The businesses mentioned in the Question Paper are fictitious.

The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

This document consists of **16** printed pages and **4** blank pages.

- 1 For **each** of the question (a) to (j) below, choose the response you consider to be correct and write the letter in the box to indicate the answer.

- (a) Which accounting principle states that revenue is only regarded as being earned when the legal title of goods passes from the seller to the buyer?

A consistency
B matching
C prudence
D realisation

[1]

- (b) Hlukanisa returned goods to Zwele.

Which document did Zwele use to record these goods?

A credit note issued
B credit note received
C debit note issued
D debit note received

[1]

- (c) Zinto's cash book (bank column) showed a credit balance of E310 on 1 August 2024. The following transactions took place during the month of August 2024.

	E
Cash deposit	400
Cash sales deposited	600
Furniture bought by cheque	580

What was the balance of the bank columns in Zinto's cash book on 1 September 2024?

A E110 debit
B E690 credit
C E730 debit
D E1090 credit

[1]

- (d) Dlakubi sold goods to Zotoya by cheque.

Which entries would Zotoya make to record this transaction?

	account to be debited	accounted to be credited
A	bank	purchases
B	bank	sales
C	purchases	bank
D	sales	bank

[1]

- (e) The SH Swimming Club runs a canteen for its members. The following information is available for the year ended 30 September 2024.

	E
Canteen inventory 1 October 2023	560
30 September 2024	640
Receipts from canteen sales	5200
Payments to canteen suppliers	2900
Amount due to canteen suppliers 30 September 2024	220
Wages of part-time canteen assistant	800

What was the profit of the SH Swimming Club's canteen for the year ended 30 September 2024?

- A** E1200
B E1360
C E1580
D E2160

[1]

- (f) Which group of items is used in the calculation of gross profit?

- A** carriage inwards, carriage outwards, returns outwards
B carriage inwards, carriage outwards, returns inwards
C carriage inwards, returns inwards, returns outwards
D carriage outwards, returns inwards, returns outwards

[1]

- (g) Masoso purchased goods on credit for E2000 on 1 September 2024. The supplier offers a 15% trade discount on orders over E1500 and a 2% cash discount if payment is made within 30 days. Masoso paid for the goods on 3 October 2024.

How much did Masoso pay?

- A** E1660
B E1666
C E1700
D E1960

[1]

- (h) A payment of E500 cash was received by a seller to settle an outstanding debt.

Which document was issued by the seller as proof of payment?

- A** credit note
B debit note
C invoice
D receipt

[1]

- (i) Which is a current asset for a club?

- A** accrued rent of clubhouse
B accrued subscriptions
C gym equipment at cost
D loan interest paid

[1]

- (j) Neliswa owns a cosmetics business. She provided the following information at 30 September 2024.

	Quantity	Cost per unit	Selling price per unit
		E	E
Beauty products	6	80	102
Perfumes	10	90	85

What was Neliswa's value of inventory at 30 September 2024?

- A E1330
- B E1380
- C E1462
- D E1512

[1]

[Total: 10]

- 2 Temlandvo, a retailer, employs a petty cashier to keep a petty cash book.

REQUIRED

- (a) State **three** advantages of keeping a petty cash book.

1
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2
.....

3
..... [3]

- (b) State the meaning of the term 'petty cash voucher'.

.....
.....
..... [2]

- (c) Explain the term 'imprest system'.

.....
.....
..... [2]

Temlandvo restores the imprest amount of E400 on the first day of each month.

She provided the following information for the month of August 2024.

2024		E
Aug	1 Balance of petty cash	60
	1 Imprest restored by cash	?
	2 Bought stapler	45
	7 Paid travelling expenses	25
	10 Paid window cleaner	15
	15 Bought pens and pencils	30
	19 Purchased cleaning material	20
	23 Paid for bus fare	23
	26 Paid for refreshments	65
	31 Paid Jeleza, a trade payable	80

REQUIRED

- (d) (i) Write up Temlandvo's petty cash book for the month ended 31 August 2024. Balance the petty cash book and bring down the balance on 1 September 2024.

Temlandvo
Petty cash book

Total received	Date	Details	Total Paid	Refreshments	Travelling	Cleaning	Stationery	Ledger Accounts
E	2024		E	E	E	E	E	E

[10]

- (ii) Make the necessary entries in the following accounts in Temlandvo's ledger on 31 August 2024.

Refreshments expenses account

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Travelling expenses account

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Jeleza account

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..... [3]

[Total: 20]

- 3 Mdlalo, a trader, reconciles the balance of the bank columns in the cash book with the balance of the bank statement.

REQUIRED

- (a) State **four** advantages of reconciling the balance of the bank column in the cash book with the balance of the bank statement.

- 1
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- 2
.....
- 3
.....
- 4
..... [4]

Mdlalo provided the following information on 30 September 2024.

- 1 The bank statement showed a credit balance of E4833.
- 2 Bank charges E96, had not been recorded in the cash book.
- 3 The bank statement showed a direct debit of E400 paid for insurance.
- 4 A cheque received from Sibalo, E770, paid into the bank was not credited by the bank. This cheque was mistakenly entered in the cash book as E700.
- 5 The cheque for E375 received from Nhlakanipho was dishonoured by the bank.
- 6 The cheque paid to Lukhanyo for E600 did not appear on the bank statement.
- 7 A credit transfer of E320 from Zimele was not entered in the cash book.
- 8 The bank had incorrectly debited the business bank account with E21 which should have been debited to Mdlalo's person bank account.

REQUIRED

- (b) Make the necessary entries to complete Mdlalo's cash book at 30 September 2024.

Balance the cash book and bring down the balance on 1 October 2024.

Mdlalo
Cash book (bank columns only)

2024		E	2024		E
Sept 1	Balance b/d	5 200	Sept 8	Masakhane	170
2	Nhlakanipho	375	10	Lukhanyo	600
30	Sibalo	700			

[6]

- (c) Prepare Mdlalo's bank reconciliation statement at 30 September 2024.

Mdlalo
Bank Reconciliation Statement at 30 September 2024

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..... [5]

- (d) Name the section of Mdlalo's statement of financial position on 30 September 2024 in which the bank balance would be recorded.

..... [1]

(e) (i) State what is meant by dishonoured cheque.

..... [1]

(ii) State **four** reasons why a cheque may be dishonoured.

1

2

3

4 [4]

(f) Explain the following terms.

Credit transfer

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Direct debit

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..... [4]

[Total: 25]

4 Babonkhe prepares control accounts at the end of each month.

(a) State **three** advantages to Babonkhe of preparing monthly control accounts.

- 1
- 2
- 3 [3]

Babonkhe provided the following information.

2024		E
On 1 July	Sales ledger control account debit balance	10 860 Dr
	Sales ledger control account credit balance	200 Cr
During the month ended 31 July 2024		
	Sales	31 295
	Returns inwards	1 035
	Returns outwards	760
	Discount received	375
	Bank transfers received from credit customers	27 300
	Interest charged on customers' overdue accounts	50
	Cash received from credit customers	700
	Cash refunds to credit customers	69
	Irrecoverable debts	119

On 1 August there was no credit balance on the sales ledger control account.

REQUIRED

(b) Complete the table to name the source of information for each of the following items.

	Sources of information
Sales	
Returns inwards	
Bank transfers	
Cash refunds	
Interest charged	
Irrecoverable debts	

[6]

- Babonkhe
Sales ledger control account

..... [8]

REQUIRED

- Babonkhe
Statement of Financial Position extract at 31 July 2024

..... [3]

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- 5 Nhlanyelo owns a sportswear business. His financial year ends on 30 September.

The balances in Nhlanyelo's books on 30 September 2024 included the following.

	E
Sales	42 370
Purchases	29 600
Inventory 1 October 2023	3 200
Returns outwards	600
Motor vehicle at cost	19 000
Provision for depreciation of motor vehicle	3 800
Salaries	5 000
Motor vehicle expenses	870
Rates	1 000
Premises at cost	40 000
Stationery	500

At 30 September 2024

- 1 Inventory was valued at E4 200
- 2 Inventory of stationery was valued at E200
- 3 Irrecoverable debts, E100, should be written off
- 4 The motor vehicle is being depreciated at 20% per annum using the reducing balance method

(a) Prepare Nhlanyelo's income statement for the year ended 30 September 2024.

..... [9

- 1
2 [2]

- (ii) Calculate Nhlanyelo's gross margin and profit margin for the year ended 30 September 2024. Show your answers correct to **two** decimal places.

Gross margin

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.....

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Profit margin

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.....

..... [4]

Nhlanyelo provided the following information for the year ended 30 September 2023.

Gross margin	28.31%
Profit margin	15.69%

REQUIRED

- (c) Give **two** reasons why **each** of the ratios have changed.

Gross margin

1
.....

2
.....

Profit margin

1
.....

2
..... [4]

Nhlanyelo is rather concerned that his current ratio is lower than at the end of the previous financial year.

(d) (i) Explain why it is important for Nhlanyelo to calculate the current ratio.

.....
..... [2]

(ii) State the formula for calculating the current ratio.

..... [1]

(iii) Suggest **three** ways in which Nhlanyelo can improve the current ratio of his business.

1

2

3 [3]

[Total: 25]

