



EXAMINATIONS COUNCIL OF ESWATINI
Junior Certificate Examination

CANDIDATE
NAME

CENTRE
NUMBER

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NUMBER

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BOOKKEEPING AND ACCOUNTS

520/01

Paper 1

October/November 2020

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

1. Write your name, Centre number and candidate number in the spaces provided.
2. Answer **all** questions.
3. Write your answers using **blue** or **black** pen.
4. Marks are given in [] at the end of each question or part question.
5. Special attention must be paid to **legibility** and **neatness**.
6. Name(s) of businesses/persons used in this paper are fictitious.
7. You may use a calculator.

For Examiner's use	
1.	
2.	
3.	
4.	
5.	
TOTAL	

This document consists of **14** pages and **2** blank page.

QUESTION 1

For each of the questions (a) – (j) below, choose the response which you consider to be correct and write the letter in the box to indicate the correct answer.

- (a) How is rent received accrued classified in the balance sheet?
- A. asset
B. expense
C. income
D. liability
- [1]
- (b) Which discount encourages bulk buying?
- A. cash discount
B. discount allowed
C. discount received
D. trade discount
- [1]
- (c) Which of the following is a long term liability?
- A. Owed expenses
B. prepayment
C. loan on buildings
D. overdraft
- [1]
- (d) When would a cheque be marked R/D by a bank?
- A. generally crossed
B. specially crossed
C. when it is dishonoured
D. when it is honoured
- [1]
- (e) Office furniture is bought for E50 000 by cheque. It is estimated to be used for 5 years and it has a scrap value of E5 000. How much is the annual depreciation?
- A. E9 000
B. E10 000
C. E25 000
D. E45 000
- [1]

- (f) On 30 September 2020, rent paid totalled E3 200 and rent prepaid was E800.
How much rent should be charged in the profit and loss account on 30 September 2020?
- A. E800
B. E2 400
C. E3 200
D. E4 000
- [1]
- (g) Bahle and Mehlo are partners sharing profits and losses in the ratio 3:2. The profit was E25 000 after annual interest on drawings and interest on capital was considered.
How much is Bahle's share of profit?
- A. E5 000
B. E8 333
C. E10 000
D. E15 000
- [1]
- (h) What is interest charged on debtors account?
- A. interest accrued
B. interest payable
C. interest prepaid
D. interest received
- [1]
- (i) Dladla's account had a debit balance of E600, in Kunene's sales ledger.
What does this balance mean to Kunene?
- A. Dladla has paid E600, to Kunene
B. Dladla is Kunene's debtor, owing E600
C. Kunene has paid E600 to Dladla
D. Kunene is Dladla's debtor, owing E600
- [1]
- (j) How is an amount withdrawn from the bank for office use recorded in books of accounts?
- A. Debit the bank account and credit the cash account
B. Debit the cash account and credit the bank account
C. Debit the drawings account and credit the purchases account
D. Debit the purchases account and credit the drawings account
- [1]

[Total:10 marks]

QUESTION 2

Muhle received a bank statement for the month ended 30 August 2020. It showed a bank balance of E5070 while his cash book balance was E2630.

Items that appeared only on the bank statement were:

- 1 A stop order to WAX for rent E1800 was paid by the bank
- 2 Bank charges for the month E200
- 3 A cheque, number 10397 paid to Muhle of E3800 was dishonoured by the bank
- 4 Dividend received directly deposited E2300

Items that appeared only on the cash book on 30 August 2020 were:

Cheques paid but not presented to the bank for payments:

- Zulu E3350
- Mafu E2500

Uncredited deposits made on 29 August 2020:

Cash E 2110

Cheque received from Mathonsi E3200

REQUIRED

(a) (i) State **three** possible reasons why the bank dishonoured cheque number 10397

- 1.
- 2.
- 3. **[3]**

(ii) Explain the following terms that appeared on Muhle’s bank statement.

Stop order

.....
.....

Bank charges

.....
.....

Dividend

.....
.....

Dishonoured cheque

.....
..... **[8]**

QUESTION 3

Mnotfo’s bookkeeper records all business transactions applying relevant accounting concepts and polices. His financial year ends 28 February.

REQUIRED

- (a) State the account to be debited and account to be credited for **each** of Mnotfo’s transactions given below.

The first one has been completed as an example.

Transaction	Account to be debited	Account to be credited
e.g. Cash sales	<i>Cash</i>	<i>Sales</i>
Wages paid by cheque		
Sold goods on credit to D. Dlamini		
Motor van bought by cheque		
Petty cashier bought postage stamps		
Goods returned by D. Dlamini		

[10]

- (b) Explain the accounting concept that is applied by Mnotfo’s bookkeeper when debiting one account and crediting the corresponding account for every transaction.

Accounting concepts

Explanation.....

..... [3]

QUESTION 4

Mphumelelo, a sole trader, operates a grocery business. His financial year ends at 31 March.

REQUIRED

(a) State **four** advantages of a sole trader.

- 1.....
.....
- 2.....
.....
- 3.....
.....
- 4.....
.....

[4]

(b) Explain **two** reasons why a business may calculate profit.

- 1.....
.....
- 2.....
.....

[4]

Mphumelelo's Motor vehicle bought in 2017 is still shown at the same value the in books of accounts in 2020.

REQUIRED

- (c) Explain the accounting concept applied by Mphumelelo when recording the motor vehicle account over the years.

Accounting concept

Explanation.....

..... [3]

Mphumelelo's income statement prepared for the year ended 31 March 2020 showed a net profit of E1150.

The following information was available in his books at 31 March 2020 after the preparation of the income statement.

	E
Capital	52 000
Trade payables/ Creditors	2 500
Premises	29 000
Motor vehicles	30 000
Furniture	4 000
Provision for depreciation: motor vehicle	12 000
Furniture	800
Inventory/Stock (1 April 2019)	6 250
Cash	2 000
Provision for bad debts	600
Loan from ASB Bank	10 700
Insurance prepaid	150
Trade receivables/ Debtors	16 000
Drawings	2 000
Rent owing	400
Inventory/stock (31 March 2020)	5 000
Bank overdraft	8 000

QUESTION 5

Sihle, a trader, keeps trade receivables and trade payables records in the books of accounts.

Her sales journal for the month of April 2020 had the following entries.

Sales Journal

Date	Details	Folio	E	C	E	C
2020 Apr 1	Blue Ltd		3 000			
4	Brown Traders		1 500			
8	Green Tea		2 600			
12	Blue Ltd		900			
27	Yellow Traders		4 200			
30	Cr sales account				<u>12 200</u>	

REQUIRED

(a) Distinguish between trade payables and trade receivables.

.....

 **[4]**

- (b) Post Sihle's sales journal entries to the ledger. Balance the ledger accounts where necessary.

[8]

Sihle allows 30% trade discount and 5% cash discount if payment is made within 15 days from the day of purchase.

Yellow Trader settled his debt to Sihle paying a cheque on 11 May 2020.

REQUIRED

- (c) (i) Calculate the amount paid by Yellow Trader on 11 May 2020. Show your workings.

.....

 [2]

- (ii) State the subsidiary book Sihle used to record Yellow trader's payment

..... [1]

- (iii) State how Sihle recorded the payment from Yellow trader on 11 May 2020.

Date	Account debited E	Account credited E
2020 May 11

[3]

Sihle does not record in her books information about skills her employees possess or information about how good her managers are.

REQUIRED

- (d) Explain the accounting concept observed by Sihle that supports his decision not to record the above information.

Accounting concept.....

Explanation.....

..... [3]

[Total marks: 21]

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