

EXAMINATIONS COUNCIL OF ESWATINI Junior Certificate Examination

	NDIDATE ME						
	NTRE MBER				CANDIDATE NUMBER		
во	OKKEEPIN	G AND A	CCOUNTS			520	0/01
Pa	per 1						
					Oct	ober/November 2	021
						1 hour 30 minu	ites
RE	AD THESE I	NSTRUC	CTIONS FIRST	Г			
1.	Write your o	andidate	name, Centre	number and	candidate numbe	er on the spaces	
2.	Answer all	questions	S.				

- 3. Write your answers using a dark blue or black pen in the spaces provided. **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 question paper consists of 15 printed page and 1 blank page.

[Turn (©ECESWA 2021

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)		hich document is used by a credit customer to request a reduvoice received?	ıction in an	
	Α	a bank reconciliation statement		
	В	a bank statement received		
	С	a credit note issued		
	D	a debit note issued		[1]
(b)	WI	nat is the importance of source documents?		
	Α	to provide evidence that double entry has been completed		
	В	to provide evidence of the business budget		
	С	to provide evidence for completed financial statements		
	D	to provide evidence that a financial transaction occurred		[1]
(c)	WI	nat is a transaction?		
	Α	a section of the balance sheet		
	В	a section of the trial balance		
	С	any business activity which involves buying and selling		
	D	any business activity which involves cash or bank		[1]
(d)	WI	hat is the accounting term used to refer to goods awaiting to	be sold?	
	Α	disposal		
	В	inventory		
	С	purchases		
	D	sales		[1]
(e)	WI	nich term refers to a person or firm that sells to another on cr	edit called?	
	Α	customer		
	В	distributor		
	С	trade payables		
	D	trade receivables		[1]

(f)	Wł	nich statement refers to cash sales?		
	Α	goods sold by cheque		
	В	goods sold on credit		
	С	machinery sold by cash		
	D	machinery sold on credit		[1]
(g)	Wł	nich is calculated in the income statement?		
	Α	capital owned		
	В	profit or loss		
	С	value of assets		
	D	value of bad debts		[1]
(h)	Wł	nich group of items represent income of a business?		
	Α	revenue, rent paid, commission earned		
	В	revenue, rent paid, commission paid		
	С	revenue, rent received, commission earned		
	D	revenue, rent received, commission paid		[1]
(i)	Wł	nich discount is shown on the receipts side of the cash book	?	
	Α	cash discount		
	В	discount allowed		
	С	discount received		
	D	trade discount		[1]

(j) A business presented the following transactions at the end of the year.

Trade receivables	4 000
Trade payables	2 500
Bank overdraft	300
Cash in hand	2 700
Closing inventory	1 100
Rent paid in advance	200

How much was the business's total current assets?

- **A** E6 300
- **B** E6 500
- **C** E7 800
- **D** E8 000

[1]

[Total: 10]

Melenhle, started a business on 1 January 2021 and is currently studying towards a certificate in basic accounting.

REQUIRED

(a)	Diff	erentiate between bookkeeping and accounting.	
(b)	(i)	Identify three external users for Melenhle's business accounting information.	[4]
		User 1	
		User 2	
		User 3	
	(ii)	Explain one interest of each external user identified in (b) (i)	
		Explanation for user 1 interest	
		Explanation for user 2 interest	
		Explanation for user 3 interest	
			[9]

During the month ended 30 April 2021, the following transactions took place.

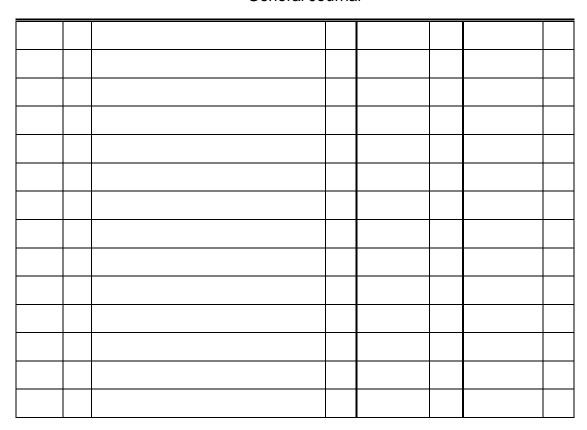
2021

- April 4 Furniture sold on credit to Goodwill Stores for E8 000
- April 10 Melenhle bought Machinery from New Millennium for E15 000
- April 21 Received an invoice from BB Garage E500 for motor van repairs

REQUIRED

(c) Record Melenhle's transactions in the general journal. Narratives are **not** required.

General Journal



[6]

On 30 April 2021 Melenhle paid for her private insurance account, but did not record this transaction in the business books of accounts.

REQUIRED

(d)	Explain the accounting concept Melenhle applied by not recording the private insurance payment.
	Concept
	Explanation
	[3]
	[Total: 22]

Mhlophe has an account at XY Bank. On 31 July 2021, the cheque below was issued.

XY BANK HIGH TOWN		Date <u>2021.0</u>	7.31				
Pay <u>Dumazile Nhlabatsi</u> or bearer The sum of <u>three thousand five hundred emalangeni only</u> E3500.00							
		Mhlophe					
62113121438	62113121438						
0056	6633000	400333769	90				

Fig. 1

REQ	U	IR	E	D
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(a) Ex	plain the meaning of a cheque	
		[2]
(b) (i)	Identify the parties to the cheque issued at 31 July 2021.	
	Drawer	
	Drawee	
	Payee	[3]

	(ii)	Explain the parties to the cheque (b)(i) .	issued on 31 Jul	y 2021 identified in	
		Explanation (Drawer)			
		Explanation (Drawee)			
		Explanation (Payee)			
					[6]
(c) Identify the source document and the subsidiary book used for each of Mhlophe's transactions.					
	Th	e first one has been completed as	an example.		
		Transaction	Source document	Subsidiary Book	

Transaction	Source document	Subsidiary Book
e.g. Bought goods by cash	Receipt	Cash Book
(i) Sold goods on credit to J. Dludlu		
(ii) J, Dludlu returned goods		
(iii) Bought goods from Z. Zweli		
(iv) Bought machinery by cheque		
(v) Sold motor vehicle on credit to Sisho		
(v) Petty cash used to pay for Staff tea		

[12]

[Total: 23]

Mdada, a trader, prepared a trial balance at 31 March 2021 which did not balance.

Mdada Trial Balance at 31 March 2021

	That Balaries at 51 March 2021			
	E	Е		
Equipment	5 000			
Fixtures and fittings		15 000		
Inventory at 1 April 2020		2 900		
Trade receivables (debtors)		6 000		
Loan- Sethu		9 000		
Drawings	1 000			
Trade payables (creditors)	2 200			
Bank	1 800			
Cash		500		
Capital	22 000			
Balancing figure	<u>400</u>			
	<u>32 400</u>	<u>32 400</u>		

(a) List three errors that are not revealed by the trial balance:

REQUIRED

Error 1						
Error 2				•••••		
Error 3	3					[3]
(b) (i) Ider	ntify the acco	unt to which t	he balancing	figure would b	e transferred to	

.....[1]

(ii) Prepare Mdada's corrected trial balance at 31 March 2021

Mdada Corrected Trial Balance at 31 March 2021

	1	ı	ı	_

[10]

On 31 March, a machine was bought for E25 000, paid by cheque. The machine had a lifespan of 5 years and its scrap value was E5000.

Mdada's accountant charges depreciation on equipment annually using the straight line method.

REQUIRED

(c)	Explain the term depreciation.	
		[2]
(d)	Calculate the annual depreciation of the machinery. Show your workings.	
	[[3]
(e)	Explain the accounting principle Mdada's accountant observed by charging depreciation on equipment using the same method, the straight line method, year after year.	
	Principle	
	Explanation	
	[_
	ITotal: 2	221

Melusi, a sole trader provided the following balances from the books of accounts at 30 September 2021.

	Е
General expenses	1 210
Discount allowed	150
Discount received	270
Inventory 1 October 2020	4 130
Revenue	28 048
Returns inwards	148
Purchases	16 250
Provision for doubtful debts	300
Telephone charges	1 400
Office furniture	9 200
Trade receivables	4 800
Machinery	12 500
Electricity	420

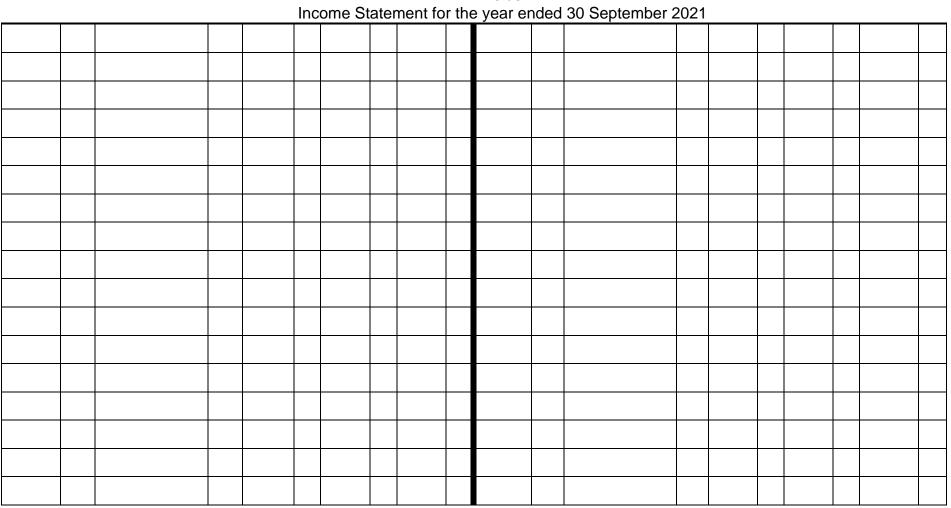
Additional information at 30 September 2021

- (i) Inventory was valued at E5430
- (ii) Telephone charges prepaid E140
- (iii) The provision for doubtful debts is to be 5% of the trade receivables
- (iv) Machinery and office furniture are to be depreciated at 10% each per annum

REQUIRED

(a) Prepare Melusi's income statement for the year ended 30 September 2021.

Melusi



[18]

(b)	Explain the accounting concept Melusi applied by maintaining the provision for doubtful debts account.	
	Concept	
	Explanation	
		[3]
(c)	Calculate the total value of trade receivables as they would appear in the statement of financial position at 30 September 2021. Show your working.	
		[2]
	[Total: 2	23]

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