



EXAMINATIONS COUNCIL OF ESWATINI

Junior Certificate Examination

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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BOOKKEEPING AND ACCOUNTS

520/01

Paper 1

October/November 2021

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

1. Write your candidate name, Centre number and candidate number on the spaces provided.
2. Answer **all** questions.
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.

<i>For Examiner's use</i>	
1.	
2.	
3.	
4.	
5.	
TOTAL	

This question paper consists of **15** printed page and 1 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) Which document is used by a credit customer to request a reduction in an invoice received?
- A a bank reconciliation statement
B a bank statement received
C a credit note issued
D a debit note issued
- [1]
- (b) What is the importance of source documents?
- A to provide evidence that double entry has been completed
B to provide evidence of the business budget
C to provide evidence for completed financial statements
D to provide evidence that a financial transaction occurred
- [1]
- (c) What is a transaction?
- A a section of the balance sheet
B a section of the trial balance
C any business activity which involves buying and selling
D any business activity which involves cash or bank
- [1]
- (d) What is the accounting term used to refer to goods awaiting to be sold?
- A disposal
B inventory
C purchases
D sales
- [1]
- (e) Which term refers to a person or firm that sells to another on credit called?
- A customer
B distributor
C trade payables
D trade receivables
- [1]

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

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

	E
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]

QUESTION 2

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

REQUIRED

(a) Differentiate between bookkeeping and accounting.

.....

.....

.....

..... [4]

(b) (i) Identify **three** external users for Melenhle’s business accounting information.

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]

QUESTION 3

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

XY BANK HIGH TOWN	Date <u>2021.07.31</u>
Pay <u>Dumazile Nhlabatsi</u> or bearer	
The sum of <u>three thousand five hundred emalangeneni only</u>	<u>E3500.00</u>
	Mhlophe _____
62113121438	
0056	6633000 4003337690

Fig. 1

REQUIRED

(a) Explain 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 issued on 31 July 2021 identified in (b)(i).

Explanation (Drawer).....

.....

.....

Explanation (Drawee).....

.....

.....

Explanation (Payee).....

.....

..... [6]

- (c) Identify the source document and the subsidiary book used for each of Mhlophe's transactions.

The first one has been completed as an example.

Transaction	Source document	Subsidiary Book
e.g. Bought goods by cash	<i>Receipt</i>	<i>Cash Book</i>
(i) Sold goods on credit to J. Dlodlu		
(ii) J, Dlodlu 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]

QUESTION 4

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

Mdada		
Trial Balance at 31 March 2021		
	E	E
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>

REQUIRED

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

Error 1

Error 2

Error 3 [3]

(b) (i) Identify the account to which the balancing figure would be transferred to.

..... [1]

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

Mdada
Corrected Trial Balance at 31 March 2021

[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.....
..... [3]

[Total: 22]

QUESTION 5

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

	E
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
Income Statement for the year ended 30 September 2021

[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: 23]

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