



EXAMINATIONS COUNCIL OF ESWATINI  
Eswatini General Certificate of Secondary Education

CANDIDATE  
NAME

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CENTRE  
NUMBER

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**ACCOUNTING**

**6896/02**

Paper 2

**October/November 2023**

**1 hour 45 minutes**

Candidates answer on the Question Paper.

No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your name, Centre number and candidate number in the spaces provided.

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.

At the end of the examination, fasten all your work securely together.

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	
<b>Total</b>	

This document consists of **16** printed pages.

1 Thembi, trading as PQR Stores, makes all payments to her suppliers by cheque.

**REQUIRED**

(a) State **two** functions of a cheque.

- 1 .....
- .....
- 2 .....
- ..... [2]

On 2 October 2023, Thembi paid Mbala by cheque, E2145 after receiving a 2½% discount.

**REQUIRED**

(b) State **four** contents of a cheque.

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

(c) (i) Name the section of the cheque which remained in Thembi's cheque book after she tore out the cheque payable to Mbala.

..... [1]

(ii) State **two** purposes of the section of the cheque named in (c) (i).

- 1 .....
- 2 ..... [2]

(d) (i) Calculate the discount given to Thembi when making payment to Mbala on 2 October 2023. Show your workings.

..... [2]

(ii) Name the type of discount given by Mbala to Thembi on 2 October 2023.

.....

Give **one** reason why this discount was given to Thembi by Mbala.

..... [2]

(iii) State the subsidiary book Mbala used to record the discount given to Thembi.

..... [1]

**[Total: 14 marks]**

- 2 Sbakho buys goods on credit from Njalo. The following document was issued on 31 August 2023.

<b>STATEMENT OF ACCOUNT</b>				
Sbakho Makhulukhulu Street 505 Mantambe			Njalo Mfisha Street no. 45 Mangwaneni  31 August 2023	
Date	Details	Debit	Credit	Balance
2023 August	1			
	Balance	E	E	E 1750 Dr
	5		1715	35 Dr
	5		35	0
	8	2800		2800 Dr
	15		100	2700 Dr

*The last amount shown in the balance column is the amount due.*

*Terms: 2% cash discount if account balance is paid by 6 September 2023.*

- (a) (i) Identify the receiver of the above document.  
 ..... [1]
- (ii) State **one** reason why this document was issued.  
 .....  
 ..... [1]
- (b) Explain the entries on the document issued on 31 August 2023.
- August 1 Balance  
 .....  
 .....
- August 5 Cheque  
 .....  
 .....

August 5 Discount

.....  
.....

August 8 Invoice no. 112

.....  
.....

August 15 Credit note no. 777

.....  
..... [10]

(c) Prepare Sbakho's account in Njalo's books. Balance the account and bring down the balance on 1 September 2023.

Sbakho account

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
..... [4]

[Total: 16 marks]



- 2 Mhawu, a trader, started a business with E40 000 in the bank on 1 October 2022, premises valued at E60 000 and equipment E20 000.  
Mhawu did not maintain a full set of accounting records.

The business buys and sells on credit. All cheques received from credit customers were directly deposited into the bank. All payments were made by cheque.

Mhawu was able to provide the following information.

- 1 Cheque transactions during the year ended 30 September 2023

	E
Received from trade receivables	85 200
Paid to trade payables	66 500
Rates	1 600
General expenses	700
Insurance premiums	1 200
Drawings	8 200

- 2 At 30 September 2023

	E
Trade Payables	27 300
Returns outwards	500
Irrecoverable debts	400
Discount received	1 800
Discount allowed	1 900
Inventory	6 560

Additional information

- 1 During the financial year Mhawu took goods, cost price E1500, for his personal use
- 2 All goods are sold at a mark-up of 25%
- 3 At 30 September 2023 rates accrued amounted to E800

### REQUIRED

- (a) Identify **one** advantage to Mhawu of keeping full accounting records.

1 .....

..... [1]







(e) Explain how the business entity principle should be applied when recording any value taken from the business by Mhawu.

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

**[Total: 20 marks]**

4 Owethu is a trader. His financial year ends at 30 September.

On 1 October 2020, he purchased two office desks on credit from Bee Dee costing E10 000 each.

On 1 April 2022, he sold one of the desks bought on 1 October 2020 for E4 500 cash. On the same date, he purchased another desk costing E18 000 paying by cheque.

Owethu depreciates furniture at 25% per annum using the straight line method.

Depreciation is charged for the number of months the asset has been in existence in the business.

**REQUIRED**

- (a) (i) Prepare Owethu's furniture account for **each** of the **two** years ended 30 September 2021 and 2022. Balance the account on 30 September 2022 and bring down the balance on 1 October 2022.

Furniture account

..... [4]

- (ii) Prepare Owethu's provision for depreciation of furniture account for **each** of the **three** years ended 30 September 2021, 2022 and 2023. Balance the account at the end of each year and bring down the balances on 1 October.

You may use the space below for your workings.



Owethu suggested to the accountant that they change the method of depreciation of furniture to the reducing balance method as he believes this would reduce the amount of depreciation and increase the annual profit.

**REQUIRED**

(b) Explain **two** reasons why Owethu should **not** change to a different method of calculating depreciation.

1 .....

.....

.....

.....

2 .....

.....

.....

..... [4]

The following account appeared in Owethu's general ledger.

Disposal of Motor Vehicle account					
2023		E	2023		E
April 1	Motor vehicle	90 000	April 1	Provision for depreciation	67 500
Sept 30	Income statement	<u>17 500</u>		Bank	<u>40 000</u>
		<u>107 500</u>			<u>107 500</u>

**REQUIRED**

(c) Explain **each** entry in the disposal of motor vehicle account in Owethu's general ledger. State where the double entry would be found.

April 1 Motor vehicle

Explanation .....

.....

.....

Double entry .....

April 1 Provision for depreciation

Explanation .....

.....

.....

Double entry .....

April 1 Bank

Explanation .....

.....

Double entry .....

September 30 Income statement

Explanation .....

.....

Double entry ..... [8]

**[Total: 28 marks]**

5 Xoli owns a computer repairs business.

**REQUIRED**

(a) (i) State whether Xoli’s business is a trading or service business.

..... [1]

(ii) State **two** differences between a trading business and a service business.

1 .....

.....

2 .....

..... [2]

Xoli has only a very limited knowledge of accounting but prepared the following income statement (which contains some errors).

Xoli  
Income Statement for the year ended 30 September 2023

	E	E
Capital at 1 October 2022		70 000
Office furniture at cost		12 000
Provision for depreciation – Office furniture 1 October 2022		2 400
Motor vehicle at cost		80 300
Provision for depreciation – Motor vehicle 1 October 2022		39 040
Salaries		42 000
Electricity		2 900
Stationery		<u>600</u>
		249 240
Receipts from clients	78 500	
Drawings	4 500	
Water	2 300	
Insurance	3 000	
Motor expenses	<u>1 200</u>	<u>89 500</u>
Profit		<u><u>159 740</u></u>



- (c) Prepare Xoli's capital account for the year ended 30 September 2023. Balance the account and bring down the balance on 1 October 2023.

Xoli  
Capital account

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [3]

- (d) State how the statement of financial position on 30 September 2023 would be affected if the error of entering the replacement tyre, E300, was **not** corrected.

Your answer should indicate **each** item which would be affected and the amount.

.....

.....

.....

.....

..... [4]

- (e) (i) Name **one** accounting principle Xoli should apply when recording depreciation of non-current assets.

..... [1]

- (ii) Explain how depreciation is an application of the accounting principle named in (e)(i).

.....

.....

..... [2]

**[Total: 22 marks]**

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