EXAMINATIONS COUNCIL OF ESWATINI
Junior Certificate Examination

CANDIDATE NAME	

CENTRE NUMBER					CANDIDATE NUMBER				

BOOKKEEPING AND ACCOUNTS   **520/01**

Paper 1   **October/November 2023**

                                                1 hour 30 minutes

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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 **12** printed pages and **4** blank pages.

@ECESWA 2023   **[Turn over**

Question 1

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

(a) Which statement best describes the term Prospective Investor?

    A a person or a business who has invested in the business

    B a person or a business with an interest to invest in the business

    C a business which owes another business

    D a business which cannot invest in the business   [ ] [1]

(b) In which book of accounts is a contra entry recorded?

    A cashbook

    B petty cashbook

    C purchases journal

    D sales journal   [ ] [1]

(c) Which document is used as a source document for petty cash book?

    A cheque stub

    B invoice

    C petty cash voucher

    D receipt   [ ] [1]

(d) Which discount is mainly used to encourage bulk buying?

    A cash discount

    B discount allowed

    C discount received

    D trade discount   [ ] [1]

(e) In which account is the total of the discount column on the debit side of the cashbook recorded?

    A cash discount

    B discount allowed

    C discount received

    D trade discount   [ ] [1]

(f) In which section of the income statement is carriage inwards recorded?

    A expenses section

    B other income section

    C profit and loss section

    D trading section   [1]

(g) In a partnership, commission paid to a partner is recorded on the credit side of which account?

    A appropriation account

    B capital account

    C current account

    D drawings account   [1]

(h) What does a debit balance in a partner's current account represent?

    A the amount invested by the partner

    B the amount owed by the business to the partner

    C the amount owed by the partner to the business

    D the amount paid by the business to the partner   [1]

(i) Which is a proprietary account?

    A asset account

    B bank account

    C capital account

    D cash account   [1]

(j) Vusi Traders had the following items in their books of accounts.

	E
sales	3000
purchases	1500
opening inventory	500
sales returns	200
closing inventory	300
purchases returns	150
rent paid	200

What is Vusi Traders' net profit (profit for the year)?

    A E1050

    B E1150

    C E1200

    D E1250   [1]

[Total Marks: 10]

Question 2

(a) Explain the following accounting terms:

Turnover

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Drawings

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Interest on capital

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Subscriptions

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Opening inventory

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....[10]

(b) (i) Identify **two** internal users of accounting information.

User 1……………………………………………………………………………………………….

User 2………………………………………………………………………………………………. [2]

   (ii) Explain **one** interest of each internal user identified in **(b) (i)**.

Explanation for user 1 ..……………………………………………….........................……

   …………………………………………………….…………………………………..….………

   …………………………………………………………………………………………………….

Explanation for user 2 ..…………………………………………………………….................

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

(c) State **four** reasons why a cheque might be dishonoured by the bank.

Reason 1 ……………………………………………………………………………………….....

   ..……………………………………………………………………………………………………

Reason 2 ………………………………………………………………………………………..

   ……………………………………………………………………………………………………..

Reason 3 ..……………………………………………………………………………………….…

   …………………………………………………………………………………………….................

Reason 4 ..………………………………………………………………………………….…..

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

[Total Marks:20]

Question 3

Green buys and sells goods on credit basis. During the month of March 2023, he had the following transactions.

March	1	Blue sold goods on credit E5000 to Green
	2	Green returned goods worth E500 to Blue
	10	Green paid Blue by cheque E4500
	15	Green bought more goods from Blue E3500
	26	Blue sold goods worth E2000 to Green

REQUIRED

(a) Prepare the account of Blue in Green's books. Balance off the account and bring down the balance on 1 April 2023.

				Blue account							

[7]

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The following trial balance appeared in the books of Senziwe Traders, a sole trader, on 30 April 2023.

Senziwe Traders Trial Balance as at 30 April 2023		
	Debit E	Credit E
Capital		28 000
Salaries	4 000	
Rent received		2 000
Motor vehicles at cost	34 000	
General expenses	6 000	
Electricity	3 000	
Commission received		5 000
Revenue		20 000
Purchases	8 000	
	55 000	55000

Additional information on 30 April 2023

1. Rent received in advance E400

2. Motor vehicles is to be depreciated at 10% per annum on cost

3. Salaries prepaid E1800

4. Electricity accrued E1200

5. Commission received accrued E1000

REQUIRED

(b) Complete the table to indicate whether the given item is an expense or income and calculate the amount to appear in Senziwe Traders' income statement for the year ended 30 April 2023.

The first one has been done as an example.

Item	Expense or Income	Working E	Amount to appear in the Income Statement E
Example: rent received	*Income*	*2000 – 400*	*1600*
Salaries			
Electricity			
Commission received			
Depreciation of motor vehicles			

[12]

(c) Indicate with a tick (✓) the section of Senziwe Traders' statement of financial position to record the adjustments on 30 April 2023.

The first one has been done as an example.

Item	Non-current assets	Current assets	Current liabilities
Example: rent received in advance			✓
Salaries prepaid			
Electricity accrued			
Commission received accrued			
Depreciation of motor vehicles			

[4]

[Total Marks:23]

Question 4

Sisekelo Enterprise is a trader who applies accounting concepts as he maintains his accounting records.

REQUIRED

(a) Identify and explain the accounting concept applied by Sisekelo Enterprise in each of the following cases.

(i) Sisekelo Enterprise always uses the straight-line method when calculating depreciation for motor vehicles.

Concept ………………………………………………………………………………..…………

Explanation………………………………………………………………………………………..

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(ii) Sisekelo Enterprise makes a debit entry and a credit entry for every transaction.

Concept ……………………………………………………………………………………………..

Explanation……………………………………………………………………………………………

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(iii) Sisekelo Enterprise does not record the experience of his employees in the books of accounts.

Concept ………………………………………………………………………………………..……

Explanation……………………………………………………………………………………..……..

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.………………………………………………………………………………………………..……… [9]

(b) Complete the table by stating how Sisekelo Enterprise would record each of the given transactions in his ledger.

Transaction	Account debited	Account credited
Started business with cash in the bank		
Cash sales directly deposited		
Mavuso's debt is written off as irrecoverable		
Reo, a credit supplier, supplied furniture		
Withdrew cash from the bank for office use		
Mandla, a customer, returned damaged goods		

[12]

(c) Classify the following transactions of Sisekelo Enterprise into capital expenditure, revenue expenditure, capital receipt, and revenue receipts. Indicate your answer with a tick (✓) in the correct column.

The first one has been done as an example.

Item	Capital expenditure	Revenue expenditure	Capital receipt	Revenue receipt
Example: Donations received				✓
Bought motor van for resale				
Sold goods for cash				
Paid rent by cash				
Purchased furniture by cheque				
Sold old machinery and received a cheque				

[5]

[Total Marks:26]

Question 5

Phola Social Club is a wellness club which was established in 2015.
The treasurer of Phola Social Club provided the following information for the year ended
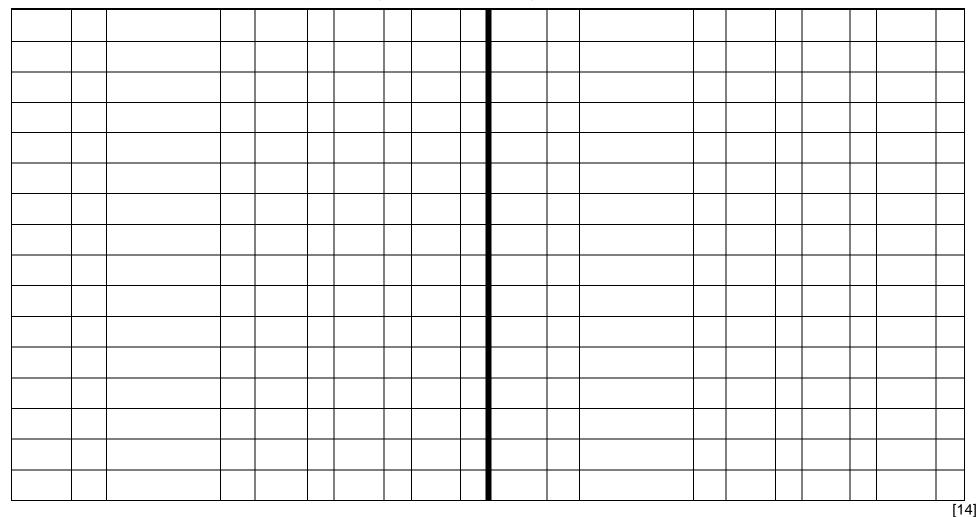31 October 2023.

	E
Bank balance as at 1 November 2022	700
Competition prizes	2200
Subscriptions	5200
Equipment	2000
Profit on dances	1480
Rent	1050
Gate collections	250
Printing	160
Competitions fees	180
Stationery	220
General expenses	330
Wages	1200
Repairs to equipment	270

REQUIRED

(a) Explain the meaning of non-profit making organisation.

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.... [2]

(b) Give **two** examples of international non-profit making organisation in Eswatini.

Example 1...

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Example 2...

.... [2]

(c) State **three** sources of funds for non-profit making organisations.

Source 1...

Source 2...

Source 3.. [3]

(d) Prepare Phola Social Club's receipts and payments account for the year ended 31 October 2023.

Phola Social Club
Receipts and Payments account for the year ended 31 October 2023

[14]

[Total marks :21]

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