**EXAMINATIONS COUNCIL OF SWAZILAND**

**JUNIOR CERTIFICATE EXAMINATION**

**Bookkeeping and Accounts**  **520/01**

**Paper 1** **October/November 2014**

**1 hour 15 minutes**

**READ THESE INSTRUCTIONS FIRST**

1. There are forty questions on this paper.
2. Answer **all** questions. For each question there are four

possible answers A, B, C and D. Choose the one you consider

correct and shade your choice on the separate answer sheet provided.

1. Use an HB pencil only, do not use ink.
2. Shade only one oval per question.
3. Example:

Question

50. In Accounting, the term purchases means:

A. Goods bought for use in the business

B. Goods bought by cash

C. Goods bought for resale

D. Goods bought on credit

The correct answer is “**C”** which is to be marked on the Answer sheet provided.

A B C D

50.

1. Make sure you make the mark next to the correct question number
2. Thoroughly erase mistakes when making changes to an answer.
3. Each correct answer will score one mark.
4. Calculators may be used.

This question paper consists of **9** printed pages and **3** blank pages.

**Answer all questions. For each question there are four possible answers A, B, C and D. Choose the one you consider correct and shade your choice on the separate answer sheet provided.**

1. Which of the following is a source document for a cash book?

A. Cash receipt

B. Credit note

C. Debit note

D. Petty cash voucher

2. Mbuso returned damaged goods to Wakhile. Which source document will Mbuso issue to Wakhile?

A. Credit note

B. Debit note

C. Invoice issued

D. Invoice received

3. Which of the following statements is useful for calculating capital?

A. Bank statement

B. Bank reconciliation statement

C. Financial statement

D. Opening statement

4. What is turnover?

1. Net profit less expenses
2. Net profit plus cost of sales
3. Sales less returns inwards
4. Sales less returns outwards

5. In which book of accounts is double entry completed?

A. Bank book

B. Cash book

C. Ledger book

D. Purchases book.

6. In which account is money invested by the owner of the business recorded?

A. Assets account

B. Capital account

C. Drawings account

D. Income account

7. In which ledger are suppliers’ accounts found?

A. General ledger

B. Nominal ledger

C. Purchases ledger

D. Sales ledger

8. How is cash paid into the bank recorded?

A. Debit the bank account; credit the cash account

B. Debit the cash account; credit the bank account

C. Debit the bank account only

D. Debit the cash account only.

9. What is the main purpose of allowing cash discount?

1. Bulk buying
2. Cash payment
3. Customer loyalty
4. Prompt payment

10. A motor vehicle bought for E20 000 is expected to last for 4 years and has a scrap value of E4000. Calculate its depreciation for a year.

A. E1200

B. E1600

C. E4000

D. E5000

11. Cash E400 paid to a creditor was mistakenly debited in the cash book and credited in the creditor’s account.

What error was committed?

A. Commission

B. Complete reversal

C. Principle

D. Transposition

12. In which final account is commission received recorded?

A. Appropriation account

B. Balance sheet

C. Profit and loss account

D. Trading account

13. Lomahoza opened a bank account and deposited E24000.

Cheques issued: rent E5000, wages E14000 and E350 for electricity.

The bank charged E50 for the cheque book and E120 for ledger fees.

How much is the balance in Lomahoza’s account?

A. E4480

B. E4650

C. E9350

D. E9520

14. Which of the following transactions would make a trial balance to disagree?

A. Cash sales for E225 are recorded and posted as E205.

B. A cheque of E400 received from a debtor was recorded only in the cash book.

C. Credit purchases from Kwanele posted to Kwenele’s account.

D. E500 paid for salaries was debited in the cash book and credited to salaries account.

15. Mvulane Wholesalers sold goods to Ngcamane Retailer for E2000. A trade discount of 20% was

allowed. How much is recorded as sales in Ngcamane Retailer’s account?

A. E396

B. E400

C. E1584

D. E1600

16. Which term describes money used to run a business on a day-to-day basis?

A. Capital employed

B. Capital expenditure

C. Fixed capital

D. Working capital

17. Which of the following concepts best describes the double entry system?

A. Business entity concept

B. Duality concept

C. Money measurement concept

D. Prudence concept.

18. What is the purpose of preparing a trial balance?

A. To check the accuracy of double entry

B. To give details of the income and expenditure of the business

C. To measure the performance of the business

D. To increase the profits of the business

19. Which source document is used to record transactions in the purchases returns journal?

A. Credit note

B. Debit note

C. Invoice issued

D. Invoice received

20. Zembe is charged interest of 4% on his outstanding debt of E5000. How much did Zembe finally pay?

A. E4 600

B. E4 800

C. E5 200

D. E5 400

21. Delisa had the following balances at 31 December:

Sales 2 640

0pening stock 1 000

Returns inwards 40

Carriage inwards 60

Carriage outwards 40

Purchases 800

Closing stock 950

How much is Delisa’s gross profit?

A. E1 650

B. E1 690

C. E1 730

D. E1 740

22. Which source document is used to correct an undercharge?

A. Credit note

B. Debit note

C. Invoice

D. Voucher

23. In which book of accounts are invoices received recorded?

A. Cash book

B. Ledger book

C. Purchases journal

D. Sales journal

24. Buhle and Nobuhle are partners sharing profits and losses at 2:1 respectively. Their profit for the year

was E3800. How much is due to Nobuhle?

1. E1 267
2. E1 900
3. E2 533
4. E3 800

25. Makhokhoba Club had the following assets and liabilities at 1 January 2014.

Motor vehicle E4 000, Equipment E3 000, Creditors E1 500, membership fee due E400.

What is the value of Makhokhoba Cheshire Home’s accumulated fund?

1. E5 100
2. E5 900
3. E8 100
4. E8 900

26. Why is interest charged on drawings of a partnership business?

A. To discourage partners from taking too much money from the business.

B. To discourage partners from investing more money into the business.

C. To encourage partners to take money from the business so that profit may increase.

D. To encourage partners to take money from the business so that they owe the business.

27. During the year 2013, Sibane Climbing Club had received E870 subscriptions. At 31 December 2013

subscriptions owing amounted to E320 and subscriptions prepaid was E50.

How much was transferred to the income and expenditure account at 31December 2013?

1. E500
2. E600
3. E1 140
4. E1 190

28. Which of the following statements best describe capital receipt?

A. Money received from the sale of stock

B. Money received when goods are sold

C. Money received from debtors

D. Money received from disposal of assets

29. Mazithulele bought furniture worth E15 000 from Zero Suppliers on credit. Instead of debiting the furniture

Account, the purchases account was debited.

Which error was committed?

1. Error of commission
2. Error of complete reversal
3. Error of original entry
4. Error of principle

30. Which subsidiary book is used to correct errors?

A. General journal

B. Purchases journal

C. Sales journal

D. Sales returns journal

31. Which of the following is an error that is revealed by a Trial Balance?

A. Compensating error

B. Double entry errors

C Omission errors

1. Transposition error

32. Why is a provision for bad debts created?

A. To increase debtors in the business

B. To prevent debtors from becoming bankrupt

C. To provide for possible bad debts

D. To reduce bad debts written off

33. Menzi had these assets and liabilities at 1 January 2014.

Furniture and fixtures E1 450, debtors E800, capital E8 700, creditors E500, stock E1000, bank over-

draft E550 and cash in hand E600. What is Menzi’s working capital ?

1. E1 050
2. E1 350
3. E1 400
4. E1 450

34. Muntu sold five cows at E3 600 each. Which accounting concept did Muntu observe by valuing

the cows?

1. The business entity concept
2. Duality concept
3. Money measurement concept
4. Prudence concept

35. Which source document summarizes trading activities for the month between a seller and a buyer?

A. Advice note

B. Bank statement

C. Delivery note

D. Statement of account

36. Which of these items is revenue income?

A. Cost of extension to premises

B. Purchase of stationery for office use

C. Rent received for office sub-let

D. Sale of old equipment

37. In which subsidiary book are goods taken by the proprietor recorded?

A. General journal

B. Purchases journal

C. Purchases returns journal

D. Sales journal

38. In which account are goods taken by a partner for personal use in a partnership recorded?

1. Appropriation account
2. Current account
3. Drawings account
4. Profit and loss account

39. Which of the following would be recorded in the income and expenditure account?

A. Installation costs of computers

B. Purchase of computers

C. Repairs to computers

D. Sale of computers

40. Which of the following would be classified under real account?

A. Capital

B. Drawings

C. Furniture

D. Loan

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