



EXAMINATIONS COUNCIL OF SWAZILAND  
 in collaboration with  
 UNIVERSITY OF CAMBRIDGE LOCAL EXAMINATIONS SYNDICATE  
 Swaziland General Certificate of Secondary Education

CANDIDATE  
 NAME

CENTRE  
 NUMBER

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CANDIDATE  
 NUMBER

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**ACCOUNTING**

**6896/01**

Paper 1

**October/November 2012**

**1 hour 30 minutes**

Candidates answer on the Question Paper.

No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.

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 **18** printed pages and **2** blank pages.

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

**(a)** A trader received payment from a customer. Which document did the trader issue?

- A** credit note
- B** debit note
- C** invoice
- D** receipt

[1]

**(b)** Which book of original entry is also part of the double entry system?

- A** cash book
- B** general journal
- C** purchases journal
- D** sales journal

[1]

**(c)** Lwethu received a loan from Sethu of E50 000 by cheque.

How will this transaction be recorded in Lwethu's ledger?

- | Account debited | Account credited |
|-----------------|------------------|
| <b>A</b> bank   | loan             |
| <b>B</b> cash   | loan             |
| <b>C</b> loan   | bank             |
| <b>D</b> loan   | cash             |

[1]

**(d)** How is discount allowed shown in the final accounts of a partnership business?

- A** as an expense in the appropriation account
- B** as an expense in the profit and loss account
- C** as an income in the appropriation account
- D** as an income in the profit and loss account

[1]

- (e) Ree bought furniture for E3000 and depreciated it at the rate of 10% each year using the straight line method.

What is the accumulated depreciation at the end of year 3?

- A E300
- B E813
- C E600
- D E900

 [1]

- (f) How is the accumulated fund of a club calculated?

- A assets – liabilities
- B assets + liabilities
- C liabilities – capital
- D liabilities + capital

 [1]

- (g) A business prepares a bank reconciliation statement starting with the balance as per the cash book. What should be added to this balance?

- A amounts not yet credited by the bank
- B bank charges not yet recorded in the cash book
- C cheques issued not yet presented to the bank for payment
- D standing order not yet recorded in the cash book

 [1]

(h) A business buys stock on credit for E1000. It is allowed trade discount of 10% and cash discount of 4%. Which amount will be entered in the purchases account?

A E860

B E864

C E900

D E960

 [1]

(i) Thuli returned faulty goods to Menzi. Which account should be debited in Menzi's general ledger?

A purchases

B returns inwards

C returns outwards

D sales

 [1]

(j) Muzi, a trader, incorrectly included an accrual of rent of E200 as a prepayment in the profit and loss account. How will this affect Muzi's net profit?

A overstated by E200

B overstated by E400

C understated by E200

D understated by E400

 [1]

**[Total: 10]**

**Question 2 is on the next page**

2 M. Zulu sells goods to S. Shiba. The following are transactions for the month of September 2012.

- Sept 1 S. Shiba account showed a debit balance of E700 in M. Zulu's books.
- 5 M. Zulu supplied S. Shiba with goods E5000 on credit less 5% discount.
- 11 S. Shiba returned faulty goods bought on 5 September to M. Zulu E200 list price.
- 15 S. Shiba paid the amount owed at 1 September by cheque, less 2½% discount.

**REQUIRED**

(a) State the type of discount given by M. Zulu to S. Shiba on the following dates:

Sept 5 ..... [1]

Sept 15 ..... [1]

(b) Calculate the discount given to S. Shiba on the following dates:

Sept 5 .....  
..... [1]

Sept 15 .....  
..... [1]

(c) State the documents used by S. Shiba to record transactions on the following dates:

Sept 5 ..... [1]

Sept 11 ..... [1]

Sept 15 ..... [1]

(d) Name the subsidiary book used by S. Shiba to record the above transactions on the following dates:

Sept 5 ..... [1]

Sept 11 ..... [1]

Sept 15 ..... [1]

- (e) Write up the following ledger accounts as they would appear in S. Shiba's books for the month of September 2012, balancing accounts where necessary.

Purchases ledger  
M. Zulu account

.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 ..... [6]

General ledger  
Purchases account

.....  
 .....  
 ..... [1]

Purchases returns account

.....  
 .....  
 ..... [1]

Discount received account

.....  
 .....  
 ..... [1]

**[Total: 19]**

- 3 Nonto keeps an analysed petty cash book with an imprest of E300. Transactions for the month of June 2012 were as follows:

	E
June 1 Balance	300
3 Paid for parcel postage	12
8 Paid for motor van fuel	66
10 Bought office stationery	36
13 Purchased postage stamps	15
17 Bought pens and pencils	39
19 Purchased biscuits	22
30 Bought milk and tea	30

**REQUIRED**

- (a) Enter the transactions in Nonto's petty cash book on the page opposite. Balance the book on 30 June 2012. Show the restoration of the imprest on 1 July 2012.



Nonto Petty Cash Book – June 2012

Total Received	Folio	Date	Details	PCV	Total paid	Travelling	Postage	Cleaning	Stationery
E					E	E	E	E	E

[11]

(b) Complete the double entry for the items recorded in the analysed petty cash book in (a).

Nominal ledger  
Postage account

.....  
.....[1]

Stationery account

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.....[1]

Motor expenses account

.....  
.....[1]

Refreshments account

.....  
.....[1]

**[Total: 15]**

**Question 4 is on the next page**

- 4 Abel, Zethu and Sonke are in partnership. Their partnership agreement includes the following:
- 1 Zethu is to receive a salary of E4000 per annum and Sonke a salary of E3600 per annum.
  - 2 Interest on partners' capital is allowed at 10% per annum.
  - 3 Profit and losses are shared equally.

The net profit of the partnership for the year ended 30 June 2012 was E20 000.

Additional information

	Capital account balances at 1 July 2011 E	Current account balances at 1 July 2011 E	Drawings for year E	Interest on drawings E
Abel	10 000	1 200 (Cr)	Nil	Nil
Zethu	8 000	800 (Dr)	Nil	Nil
Sonke	6 000	1 000 (Cr)	2 000	500



(b) Prepare the capital account and current account of Sonke for the year ended 30 June 2012.

Sonke  
Capital account

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.....[1]

Sonke  
Current account

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.....[7]

Additional information

The partnership's accounting records for the year ended 30 June 2012 showed the following:

	E
Stock at 1 July 2011	2 180
Stock at 30 June 2012	2 820
Cost of sales	45 000

**REQUIRED**

(c) Calculate the rate of stock turnover. Show your workings.

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.....[4]

(d) (i) State the basis on which stock should be valued.

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.....[1]

(ii) Explain why stock is valued on this basis.

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

**[Total: 28]**

5 Nomsa is a trader. His financial year ends on 30 April. The following balances appeared in his books on 1 April 2012.

	E
Capital	15 600
Drawings	2 900
Stock of stationery	1 500

The following transactions took place during the month of April 2012.

- 1 Nomsa paid in E2400 as additional capital by cheque.
- 2 Purchased stationery E2000 by cheque.
- 3 Took stationery for personal use E600.

**REQUIRED**

(a) Prepare the capital, stationery and drawings accounts in Nomsa's ledger for the year ended 30 April 2012.

Nomsa  
Capital account

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.....[5]

Stationery account

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.....[4]



Drawings account

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.....[3]

(b) (i) State the book of original entry for each of the items used to prepare control accounts.

Book of original entry

- 1 Credit sales .....
- 2 Returns outwards .....
- 3 Bad debts .....
- 4 Cheques received from debtors .....
- 5 Cash refund from creditor ..... [5]

(ii) State **two** advantages of keeping control accounts.

1 .....

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2 .....

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.....[4]





