



EXAMINATIONS COUNCIL OF SWAZILAND
Swaziland General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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ACCOUNTING

6896/01

Paper 1

October/November 2013

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	
6	
Total	

This document consists of **16** printed 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) Which document is sent to remind a debtor that payment is due?

- A credit note
- B invoice
- C receipt
- D statement of account

[1]

(b) In which ledger does the sales account appear?

- A creditors' ledger
- B general ledger
- C private ledger
- D debtors' ledger

[1]

(c) The issue of which document results in an increase in the balance owed by a trade receivable?

- A cheque paid by customer
- B credit note issued by supplier
- C debit note issued by supplier
- D receipt issued by supplier

[1]

(d) Tiyandza sold goods for E10 000 list price, allowing 10% trade discount and 5% cash discount. How much would be recorded in Tiyandza's sales journal?

- A E8500
- B E8550
- C E9000
- D E10 000

[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 E900
- C E2100
- D E2700

[1]

- (f) On 1 August the bank column of the cash book of Alisha's business showed that there was E30 000 in the bank. On 2 August she made the following payments:

E5000 for extension to the shop from business bank account

E2000 for TV set from private bank account

What was the balance brought down on the bank column of the business cash book on 3 August?

- A E23 000 Cr
- B E23 000 Dr
- C E25 000 Cr
- D E25 000 Dr

[1]

- (g) Which is an asset?

- A rent receivable owing
- B rent receivable prepaid
- C trade payables
- D wages owing

[1]

- (h) John depreciates his machinery each year using the reducing balance method. Which accounting concept is being observed?

- A consistency
- B duality
- C money measurement
- D realisation

[1]

- (i) Ndo Traders extend their premises at cost of E50 000. How does this affect the company's expenditure?

- A increase capital expenditure by E100 000
- B increase revenue expenditure by E100 000
- C increase capital expenditure by E50 000
- D increase revenue expenditure by E50 000

[1]

(j) A business provided the following information:

	E
Inventory (stock)	5000
Trade receivables (debtors)	6000
Trade payables (creditors)	4000
Bank overdraft	2000
Prepaid expenses	3000
Accrued expenses	1000

What was working capital?

- A E5000
- B E7000
- C E11 000
- D E15 000

 [1]

[Total: 10]

- 2 Baphelele is a trader and buys goods from Maluti Supply Centre. He received the following invoice from the supplier.

REQUIRED

- (a) Write the missing words or figures in Baphelele's invoice.

INVOICE 1362	Maluti Supply Centre Lukhozi Street P. O. Box 124 Nhlangano Tel: 22078410	28 September 2013	
To:	(i)		
P. O. Box 229 Makhosini Street Siteki Tel: 3334700			
Quantity	Description	Unit Price	Total (E)
(ii)	Apples	E0.60	3000
100	Canned fruits	E5.00	(iii)
Total			(iv)
Terms : 5% (v) for payment within 20 days			

[5]

- (b) Baphelele paid the invoice on 10 October 2013.

Calculate the amount he paid.

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..... [2]

Baphelele employs a bookkeeper to record the business transactions.

REQUIRED

(c) Complete the following table to show how **each** transaction would be entered in Baphelele's ledger.

		Account to be debited	Account to be credited
(i)	Office cash deposited into the bank	.....	.....
(ii)	Insurance premium paid by cheque	.....	.....
(iii)	Issued a credit note to customer M Mdlazi	.....	.....
(iv)	Capital deposited into the bank	.....	.....
(v)	Received an invoice for repairs to machinery from Auto Services	.....	.....

[10]

[Total: 17]

3 J Dube, a sole trader, extracted the following trial balance on 31 August 2013.

Trial Balance at 31 August 2013

	Dr E	Cr E
Revenue (sales)		20 500
Purchases	13 000	
Returns inwards	100	
Inventory (stock) 1 September 2012	4 100	
Carriage inwards	300	
Motor expenses	2 200	
Telephone expenses	800	
General expenses	170	
Motor van at cost	4 500	
Trade receivables (debtors)	580	
Trade payables (creditors)		1 100
Commission received		250
Bank	750	
Provision for depreciation on motor van		600
Capital at 1 September 2012		9 900
Drawings	5 850	
	<u>32 350</u>	<u>32 350</u>

Additional information at 31 August 2013

	E
1 Inventory (stock) was valued at	4 550
2 Motor expenses accrued amounted to	200
3 Telephone expenses prepaid amounted to	150
4 The motor van has to be depreciated at 20% per annum on cost.	

(b) State how the profit for the year (net profit) would affect J Dube's capital.

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..... [2]

[Total: 18]

4 Sito's subsidiary books showed the following transactions for the month of July 2013.

Cash book (debit side only)

Date	Details	Folio	Discount E	Cash E	Bank E
July 1	Balance	b/d		17	3982
10	Sales				694
12	Sihawu		10	590	
16	Matata		5		175
22	Nkinga			800	
25	Sales				1200
29	Cash	c			300
30	Thiza		15	885	
31	Bank	c		100	

Sales Journal

Date	Details	E	E
July 1	Sihawu		1300
2	Matata		400
13	Nkinga		1000
24	Lizwe		100
31	Total for the month		2800

Returns Inwards Journal

Date	Details	E	E
July 5	Sihawu		50
15	Nkinga		90
31	Total for the month		140

REQUIRED

(a) Explain the entry shown in the cash book on 31 July and state where the double entry would be found.

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 [2]

(b) State how the total of the discount column in Sito's cash book is posted to the ledger.

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..... [1]

(c) Calculate Sito's net sales for the month of July 2013. Show your workings.

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..... [3]

(d) Name the ledger in which the accounts of Sito's credit customers would appear.

..... [1]

(e) Post the entries from the above subsidiary books to the following ledger accounts.

Sales account

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..... [3]

Returns Inwards account

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..... [1]

5 Okwakhe, a trader, provided the following information on 30 September 2013.

	E
Premises	20 000
Fixtures and fittings	7 400
Motor vehicles	8 500
Trade receivables (debtors)	3 100
Inventory (stock)	4 500
Prepaid insurance	60
Rent receivable owing	100
Trade payables (creditors)	2 200
Bank overdraft	980
Loan (repayable on 1 October 2016)	10 000
Repairs accrued	120
Capital	30 000
Drawings	14 660
Profit for the year (net profit)	14 820

REQUIRED

(a) Explain **each** of the following terms:

(i) Balance sheet

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..... [2]

(ii) Non-current assets (fixed assets)

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..... [2]

(iii) Capital owned.

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..... [2]

(b) Calculate **each** of the following. Show your workings.

(i) Capital employed

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..... [4]

(ii) Total current assets

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..... [4]

(iii) Total current liabilities.

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..... [3]

[Total: 17]

- 6 Majazi is a carpenter. His financial year ends at 31 December. On 30 November 2012 he sold goods on credit. He received payment for these goods in February 2013.

REQUIRED

- (a) State the financial year in which the sale would be recorded in Majazi's accounting records.

Give a reason for your answer.

Financial year [1]

Reason

..... [2]

During the financial year ending 31 December 2012, Majazi made the following payments for electricity by cheque:

	E
30 March	600
31 July	500
28 September	900

On 31 December 2012, there was an unpaid electricity bill of E1200.

REQUIRED

- (b) (i) Calculate the amount of electricity charged to the income statement (profit and loss account) for the year ended 31 December 2012. Show your workings.

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..... [5]

- (ii) Name and explain the accounting concept which is being applied when calculating the electricity to be charged to the income statement.

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..... [3]

Inventory (stock) was purchased for E2000, but the inventory (stock) was damaged. The cost of repairing the damaged inventory (stock) was E150. The estimated saleable value of the inventory (stock) was E1800.

REQUIRED

(c) State the value of Majazi's stock on 31 December 2012. Give a reason for your answer.

Value of stock[1]

Reason

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.....[2]

[Total: 14]