



EXAMINATIONS COUNCIL OF SWAZILAND JUNIOR CERTIFICATE EXAMINATIONS

**Bookkeeping and Accounts
Paper 1**

**520/01
October/November 2011
1 hour**

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.
3. Use an HB pencil only, do not use ink.
4. Shade only one oval per question.
5. 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.

50. A B C D
 ○ ○ ● ○

6. Make sure you make the mark next to the correct question number
7. Thoroughly erase mistakes when making changes to an answer.
8. Each correct answer will score one mark.
9. Calculators may be used.

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

1. Which subsidiary book is used to record stationery bought on credit?
 - A Cash Book
 - B General Journal
 - C Petty Cash Book
 - D Purchases Journal

2. Which **one** of the following terms best describes a business activity?
 - A Buying
 - B Selling
 - C Trading
 - D Transaction

3. Sizo specialises in checking financial records that have been prepared by Accountants. What is Sizo's occupation?
 - A Accounts clerk
 - B Auditor
 - C Bookkeeper
 - D Marketing manager

4. What is 'true' about the term Turnover?
 - A It is also referred to as Sales Returns
 - B It is Sales less returns outwards
 - C It is Sales less returns inwards
 - D It is also referred to as net profit

5. Which of the following best describes the term "Stock"?
 - A Goods bought for resale
 - B Goods sold for profit
 - C Goods taken by proprietor
 - D Goods awaiting to be resold

6. What is a list of debit and credit balances from the ledger and cash book called?
 - A Balance Sheet
 - B Profit and Loss Account
 - C Trading Account
 - D Trial Balance

7. Vulamehlo, a retailer, started business with stock E500, motor van E5000, equipment E3000, a loan from a friend E5000.

How much was his capital?

- A E3500
 - B E5000
 - C E8000
 - D E8500
8. Which subsidiary book would Vulamehlo use for calculating capital?
- A Cash Book
 - B General Journal
 - C Purchases Journal
 - D Sales Journal
9. What is the the value of Vulamehlo's fixed assets?
- A E3000
 - B E5000
 - C E8000
 - D E8500
10. Total income less Total expenses equals:
- A Gross loss
 - B Gross profit
 - C Net profit
 - D Turn over
11. Vukuvunule Traders has decided to create a provision for bad debts.
- What accounting concept is being observed?
- A Business Entity
 - B Duality
 - C Money measurement
 - D Prudence

12. Majobo Traders always separates the owner's personal goods from those of the business.

Which accounting concept is being observed?

- A Business Entity
- B Duality
- C Money Measurement
- D Prudence

13. Everite Stores returned goods to Shining Rose Stores because they were faulty.

What business document did Everite stores send when returning the goods?

- A Credit Note
- B Debit Note
- C Delivery Note
- D Despatch Note

14. What document will Shining Rose stores send to acknowledge receipt of the goods?

- A Debit Note
- B Credit Note
- C Delivery Note
- D Despatch Note

15. Shining Rose Stores wants to remind Everite Stores to pay;

What document would Shining Rose stores send?

- A Credit Note
- B Debit Note
- C Invoice issued
- D Statement of account

16. How should a provision for bad debts be recorded in the general journal when created?

- A Debit Provision for bad debts account, Credit profit and Loss account
- B Debit Bad debts account; credit Provision for Bad debts account
- C Debit Provision for Bad debts account, Credit Bad debts account
- D Debit Profit and Loss Account, Credit Provision for Bad Debts account

17. How would goods returned to the Seller be recorded in the buyers books?
- A Debit purchases, Credit the Seller
 - B Debit the Seller, Credit Purchases
 - C Debit the Seller, Credit Purchases Returns
 - D Debit Returns inward, Credit Returns outward
18. How would cash withdrawn from the bank for office use be recorded in the books of accounts?
- A Debit Bank, Credit Cash
 - B Debit Cash, Credit Bank
 - C Debit Drawings, Credit Cash
 - D Debit Drawings, Credit Bank
19. Cash E500 received from a debtor was mistakenly credited in the Cash book and debited to the Debtor's account.
- What error was committed?
- A Complete reversal
 - B Original entry
 - C Omission
 - D Principle
20. What is the temporary account that would be opened when a Trial Balance fail to balance ?
- A Creditors account
 - B Debtors account
 - C Sundries account
 - D Suspense account
21. Which of the following is revenue expenditure?
- A Purchase of computers
 - B Purchase of office desk
 - C Motor repairs paid by cheque
 - D Fixtures and Fittings paid by cheque

22. Gross Profit plus Cost of Sales equals:
- A Closing stock
 - B Net purchases
 - C Net sales
 - D Total cost of goods
23. Which error is revealed by a Trial Balance?
- A Arithmetic error
 - B Compensating error
 - C Error of complete reversal
 - D Error of original entry
24. Office equipment is bought on credit from Sikhona Traders. What is the effect of this transaction on the business liabilities?
- A Decreases current liabilities
 - B Decreases long-term liabilities
 - C Increases current liabilities
 - D Increases long-term liabilities
25. A motor van was purchased for E40 000 in the year 2010. It was estimated that its useful life would be 3 years and then sold for E10 000. How much depreciation would be charged in the year 2012?
- A E10 000
 - B E20 000
 - C E30 000
 - D E40 000
26. G and Q Investment purchased equipment at a cost of E4 000 in 2010. The equipment is to be depreciated at 10% per year using the diminishing method.
- How much depreciation would be charged in the Profit and Loss in the year 2012?
- A E300
 - B E324
 - C E360
 - D E400

27. Which of the following is an asset?
- A Discount allowed
 - B Discount received
 - C Rent prepaid
 - D rent owing
28. Which of the following would appear on the debit side of the Supplementary Cash Book?
- A Dishonoured cheques
 - B Dividend received
 - C Standing order
 - D Stop order
29. Siphon, a bookkeeper, prepared a bank reconciliation statement starting with a balance as per bank statement.
- Which item would he deduct from the balance?
- A Uncredited deposits
 - B Unpresented cheques
 - C Standing order
 - D Dividends received
30. What would be the effect of creating a provision of bad debts to profit?
- A A decrease in gross profit
 - B A decrease in net profit
 - C An increase in gross profit
 - D An increase in net profit
31. How are Profits and Losses shared in a partnership business in the absence of an agreement?
- A Shared equally
 - B Shared in the ratio 2:1
 - C Shared according to capital invested
 - D Shared according to the agreed profit-sharing ratio
32. In which class of accounts does drawings belong to?
- A Debtor's account
 - B Nominal accounts
 - C Proprietor's account
 - D Real accounts

33. Peanut and Butter are partners with Capitals: Peanut E10 000, Butter E15 000. The Net profit for the year is E20 000. How much will Peanut get as a share of the profit if the Net profit is shared according to the capital contributed?
- A E8 000
 - B E10 000
 - C E12 000
 - D E12 500
34. Which items would normally be entered on the debit side of a partner's current account?
- A Capital and drawings
 - B Capital and interest on drawings
 - C Drawings and interest on drawings
 - D Drawings and interest on capital
35. What is true about a cash discount?
- A It is not recorded anywhere in the books of accounts
 - B It encourages the buyer to pay promptly
 - C It is stated as a percentage of the cost price of the goods
 - D It encourages traders to buy more goods
36. A business keeps a monthly petty cash float of E25.00. At the end of the month the petty cash book balance was E3.00
- How much cash is needed to restore the imprest?
- A E3.00
 - B E22.00
 - C E25.00
 - D E28.00
37. Mbensuma sold goods on credit to Mabhanisi for E250. Mabhanisi returned goods worth E45 and paid E100.
- How much is the balance in Mabhanisi's account?
- A E105
 - B E150
 - C E195
 - D E205

38. On 31 December 2010 insurance paid totalled E2200 and insurance prepaid was E420. How much should be charged for insurance in the Profit and Loss account?
- A E420
 - B E1780
 - C E2200
 - D E2620
39. Which of the following is a source of income for clubs and associations?
- A Capital
 - B Dividend
 - C Donations
 - D Profits
40. An old motor vehicle is sold on credit to Zibonele. Which accounts would be opened to record the transaction?
- A Sales and Motor vehicle account
 - B Zibonele and Motor vehicle disposal account
 - C Zibonele and motor vehicle account
 - D Zibonele and Sales account
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