



EXAMINATIONS COUNCIL OF SWAZILAND

JUNIOR CERTIFICATE EXAMINATIONS

CANDIDATE
NAME

CENTRE
NUMBER

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NUMBER

BOOKKEEPING AND ACCOUNTS
Paper 2

520/02
October/November 2013
2 hours

READ THESE INSTRUCTIONS FIRST

1. Answer all questions.
2. Write your answers using a dark blue or black pen in the spaces provided.
3. No additional or special ruled paper is provided
4. Special attention must be paid to **legibility** and **neatness**
5. Calculators may be used.
6. Marks allocated to each question or part question are shown in brackets [] at the end of each question or part question.
7. Name(s) of businesses/persons used in this paper are fictitious.

For Examiner's use	
1.	
2.	
3.	
4.	
5.	
TOTAL	

This question paper consists of **18** printed pages and **2** blank pages.

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QUESTION 1For
Examiner's
use

On 31 August 2013 the cash book of Vumile Investments showed a debit balance of E7840. However, the bank statement showed a credit balance of E8260.

On checking the causes of the differences, it was discovered that:

1. A dividend of E1200 from AA Company had been recorded in the bank statement only.
2. Cheques totalling E680 issued to creditors had not yet been presented to the bank for payment.
3. Bank charges of E62 only showed in Vumile Investment's bank statement.
4. An insurance premium of E500 has not been recorded in Vumile's cash book.
5. Deposits of E1200 that were made at the bank on 30 August were not included in the bank statement.
6. The bank statement showed E45 charged to Vumile Investment for a cheque book.

REQUIRED:

- (a) Prepare Vumile Investment's supplementary cash book.

[6]

(b)(i) State the bank balance to be shown on Vumile's balance sheet on 31 August 2013.

.....(1)

(ii) In which sub Heading of the balance sheet will the balance mentioned in (b) (i) above be entered.

.....(1)

(ii) Vumile Investments bank statement showed a credit balance.

Explain whether this was a favourable balance or not to Vumile Investment.

.....
..... (2)

(c) Explain the following terms.

(i) Dishonoured cheque:.....

.....
.....
..... [2]

(ii) Credit transfer :.....

.....
.....
..... [2]

(d) Write the following abbreviation in full:

R/D [1]

[Total mark 15]

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QUESTION 2For
Examiner's
use

- (a) From the following transactions, classify them into Capital expenditure, Capital receipt, Revenue expenditure or revenue receipt. Place a tick (✓) to indicate your classifications. The first one has been done as an example.

		Capital Expenditure	Capital Receipt	Revenue Expenditure	Revenue Receipts
e.g.	Sale of goods.				✓
(i)	Purchase of drilling machine.				
(ii)	Carriage on sales.				
(iii)	Sold old machinery.				
(iv)	Petrol for motor vehicle				
(v)	Installation costs of computer.				
(iv)	Discount received from creditors				

[6]

(b) Muzomuhle B & B had the following balances in his books at 31 July 2013.

Land & Buildings	E120 000
Fixtures & Fittings	E40 000
Bank loan	E80 000
Debtors	E 2 400
Creditors	E 1 800
Electricity accrued	E 400
Bank overdraft	E16 000
Cash at hand	E12 000
Capital	?

REQUIRED:

(i) Explain what is meant by a balance sheet?

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

(ii) Prepare a balance sheet for Muzomuhle B&B at 31 July 2013 showing the capital amount. [11]

[Total mark 20]

QUESTION 3

Banele Zondo is a trader, who keeps all sets of accounting books. He has the following journal entries for the month of January 2012.

For
Examiner's
use

Date		Details	Dr.	Cr.
Jan	6	Bad debts Zolani <u>Bad debts written off</u>	600	600
Jan	20	Motor vehicle Mini Motors <u>Motor vehicle boughton credit</u>	5000	5000
Jan	30	Interest charged TZ Business <u>Being interest charged</u>	120	120

REQUIRED:

- (a) (i) Post Banele's journal entries to the ledger.

(ii) Explain **two** reasons why Banele could have written Zolani's debt as bad.

Reason 1

.....

..... [2]

Reason 2

.....

..... [2]

(iii) What possible reason could have led Banele to charge TZ Business the E120 Interest on 30 January 2013?

Reason

.....

..... [2]

(iv) Explain what is meant by the term "narration" in a journal entry.

.....

..... [2]

(b)(i) State **three** uses of the general journal.

Use 1

.....

Use 2

.....

Use 3

..... [3]

(ii) State the term that best describes stock taken by the proprietor for personal use.
 [1]

For
Examiner's
use

(iii) State the division of the ledger where the following accounts would be recorded.
 The first one has been done as an example.

Accounts	Division of Ledger
<i>eg Bad debts</i>	<i>General</i>
1 Mimi, a debtor	
2 Machinery account	
3 ZZ Suppliers, a creditor	
4 Sales account	

[4]

[Total mark 22]

QUESTION 4

For
Examiner's
use

(a) (i) Explain what is meant by a partnership deed.
.....
.....
..... [2]

(ii) List **five** contents of a partnership deed.
.....
.....
.....
.....
.....
.....
.....
.....
..... [5]

(iii) State **two (2)** advantages and **one (1)** disadvantage of a partnership business.
Advantage 1
.....
Advantage 2
..... [2]
Disadvantage:.....
.....
..... [1]

Nozi, Mpho and Kwandza are partners sharing profits and losses in the ratio 2:2:1 respectively. They earn 6% interest on capital; interest charged on drawings is 3%. Salaries are paid to Nozi E2500 and Kwandza E3000. The profit shared by partners at 31 March 2013 was E64 000.

Capital : Nozi E20 000
 Mpho E25 000
 Kwandza E30 000

Drawings : Nozi E 5 400
 Mpho E28 000
 Kwandza E20 000

Current accounts : Nozi E180 Cr.
 Mpho E420 Cr.
 Kwandza E450 Cr.

(b) Prepare Mpho and Kwandza's current accounts.

[13]

QUESTION 5

For
Examiner's
use

(a) (i) Explain what is meant by double entry system?

.....
.....
..... [2]

(ii) State the main aim for recording accounting information.

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

(iii) Explain any **two** features that the accounting process involves.

Feature 1
..... [2]

Feature 2
..... [2]

(iv) Explain the difference between an auditor and an accountant.

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

(v) Explain the following terms.

Turnover

.....

..... [2]

Revenue

.....

..... [2]

Long-term liabilities

.....

..... [2]

(b) Show the effect of the following transaction on the accounting equation. The first one has been done as an example.

Transaction	Capital	=	Assets	+	Liabilities
	Capital		Assets		Liabilities
Example: Paid a creditor by cheque E600	No effect		Bank: -E600		Creditors: -E600
Paid rent E400 cash					

[3]

[Total mark 20]