



EXAMINATIONS COUNCIL OF ESWATINI
Junior Certificate Examination

CANDIDATE
NAME

CENTRE
NUMBER

--	--	--	--

CANDIDATE
NUMBER

--	--	--	--

BOOKKEEPING AND ACCOUNTS

520/01

Paper 1

October/November 2022

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

1. Write your name, Centre number and candidate number in the spaces provided.
2. Answer **all** questions.
3. Write your answers using **blue** or **black** pen.
4. Marks are given in [] at the end of each question or part question.
5. Special attention must be paid to **legibility** and **neatness**.
6. Name(s) of businesses/persons used in this paper are fictitious.
7. You may use a calculator.

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

This document consists of **14** printed pages and **2** blank pages.

QUESTION 1

For each of the questions (a) - (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 of the following is the accounting equation?

A Assets = Capital + Liabilities

B Assets = Capital - Liabilities

C Capital = Assets + Liabilities

D Liabilities = Assets + Capital

[1]

(b) What would be the result of a decrease in the provision for bad debts account?

A a decrease in the gross profit

B a decrease in the net profit

C an increase in the gross profit

D an increase in the net profit

[1]

(c) In which subsidiary book is machinery sold on credit recorded?

A cashbook

B general journal

C purchases journal

D sales journal

[1]

(d) Which of the following items has a credit balance?

A carriage inwards

B carriage outwards

C discount received

D returns inwards

[1]

(e) Goods sold to S. Sonke were recorded in S. Sonke's account only.

What type of error is this?

A arithmetic error

B double entry error

C error of commission

D error of omission

[1]

(f) How is gross profit calculated?

- A gross profit minus expenses
- B sales minus cost of sales
- C sales minus sales returns
- D sales plus cost of sales

[1]

(g) Which of the following best describes sales?

- A goods awaiting to be sold
- B goods bought for resale
- C goods sold for profit
- D machinery sold

[1]

(h) Which of the following is **not** a reason for measuring profit?

- A to calculate assets and liabilities
- B to calculate tax due
- C to expand the business
- D to sell the business

[1]

(i) Which of the following is a non-trading entity?

- A a bank
- B a grocery shop
- C a hairdressing salon
- D a tennis club

[1]

(j) How many people can own a partnership business?

- A 1 to 20
- B 1 to 50
- C 2 to 20
- D 2 to 50

[1]

QUESTION 2

(a) Define the following terms:

Capital

.....
.....
.....

Liabilities

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

QUESTION 3

Denis, a trader, runs a clothing shop. He depreciates his non-current assets using the reducing balance method at 20% per annum. On 1 January 2020, he bought a motor van for E100 000 on credit.

REQUIRED

(a) Explain what is meant by a credit transaction.

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

(b) Calculate the depreciation charge for the motor van at December 31, 2020 and 2021.

Show all your workings.

Depreciation for year 2020

.....
.....
.....
.....

Depreciation for year 2021

.....
.....
.....
..... [5]

- (c) Using your answers in (b), complete the following table by showing accumulated depreciation and net book value for the year 2020 and 2021

	Cost	Accumulated depreciation	Net book value
	E	E	E
Motor van (2020)	100 000		
Motor van (2021)	100 000		

[5]

- (d) Denis always shows the motor van at E100 000 in his books of accounts.

REQUIRED

Identify and explain the accounting concept observed by Denis when recording the motor van.

Accounting concept.....

Explanation.....

.....

..... [3]

- (e) Show how the following adjustments will affect income and expenses in the income statement. Use the words “**increase**”, “**decrease**” or “**no effect**”.

The first one has been done as an example.

Item	Income	Expenses
<i>e.g. Rent payable accrued</i>	<i>no effect</i>	<i>increase</i>
1. Motor repairs unpaid		
2. Rent receivable prepaid		
3. Commission receivable in arrears		
4. Insurance overpaid		

[8]

[Total marks: 23]

QUESTION 4

Falethu is a sole trader who runs a boutique shop. He provided the following cashbook for the month of June 2022.

Falethu's cash book for the month ending 30 June 2022

Date		Receipts	F	Disc all.	Cash	Bank	Date		Payments	F	Disc rec.	Cash	Bank
2022				E	E	E	2022				E	E	E
June	1	Balance	b/d		900		June	1	Balance	b/d			3000
	2	S. Kunene		240		8060		4	B. Shongwe		210		2890
	3	P. Magagula		90		4260							
	7	Sales			2450			6	Furniture				3060
	8	Loan				6500		9	Purchases				1800
	20	Bank	C		4000			15	Insurance			490	
								20	Cash	C			4000
								25	Salaries			1050	
								30	Balance	c/d		5840	4070
				330	7350	18820					210	6350	18820
2022	1	Balance	b/d		5840	4070							
July													

REQUIRED

(a) Define a sole trader.

.....

.....

.....

..... [2]

(b) What type of transactions are recorded in the cash book?

.....

..... [1]

(c) Apart from a cheque, identify **two** other source documents for the cash book.

Document 1.....

Document 2..... [2]

(d) State the section of the statement of financial position where the following would appear:

June 1 Balance b/d E900

.....

June 1 Balance b/d E3000

..... [2]

(e) Explain how double entry will be completed for the entry of cash on 20 June for E4000.

.....

.....

.....

..... [3]

(g) At the end of the year, Falethu will prepare **two** sets of financial records. Identify the set of records which he will prepare to show:

For
Examiners
Use

The profit or loss made by the business

.....

The assets and liabilities of the business

..... [2]

[Total marks: 22]

QUESTION 5

Tutu and Tata are in a partnership business. Their financial year ends on 31 October.

On 31 October 2022, they had the following balances:

Capital accounts: Tutu	E5000
Tata	E6000
Salary: Tata	E1000
Current accounts: Tutu	E7150 Cr
Tata	E4250 Dr

REQUIRED

(a) State **five** contents that Tata and Tutu can include in the partnership deed?

- (i)
- (ii)
- (iii)
- (iv)
- (v) [5]

(b) Explain **three** disadvantages of a partnership business.

Disadvantage 1

.....

Disadvantage 2

.....

Disadvantage 3

..... [6]

(c) If there is no partnership deed, how do partners share profits or losses?

..... [1]

(d) Why would a partnership pay the following to Tata and Tutu?

Interest on capital

.....

Salary

.....
 [4]

(e) Prepare the financed by section (owners' equity) of the statement of financial position of the partnership as at 31 October 2022.

Tutu and Tata

Statement of financial position as at 31 December 2022

		E		E		E	
FINANCED BY:							

[6]

[Total marks: 22]

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (ECESWA) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.