Examination Report
Bookkeeping and Accounts
520

JC

2025

JC BOOKKEEPING AND ACCOUNTS 520 EXAMINATION REPORTS - 2025

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Paper 520/01

General Comments

The paper comprised of ten multiple choice items and four short and structured questions. The overall performance of the candidates was fair as there was a balance in the performance of different centres. However, it was worth noting that candidates in some centres scored very low marks, which was worrying.

Most candidates did not write dates which made them lose marks. This was mostly observed in question 3(a) where there were required to prepare a cashbook and then post to ledger in question 3(b).

Teachers are advised to expose candidates to multiple choice questions and also theory questions so that they can attempt them well during examinations. Some candidates had difficulty in answering questions on accounting concepts.

Comments of Specific Questions

Question 1

This question comprised of 10 multiple choice questions. Candidates were required to answer all 10 questions. They were to select the response they considered correct and write the letter in the spaces provided.

The performance in this question was average, but some candidates did not answer some of the questions. A majority of the candidates were challenged by question (e) as they confused carriage inwards with carriage outwards. Some candidates also struggled with question (g), (h), (i), and (j). In question (g) they failed to classify electricity accrued as a current liability. In (h) candidates were calculating the discount and used it as their final answer instead of subtracting it from E10 000. In (i) candidates calculated depreciation for one year instead of the 3 years as required by the question. For question (j) most candidates could not identify the item to be recorded on the debit side of the supplementary cashbook, most candidates choose “direct debit instead of credit transfer”. The other questions were fairly answered by most candidates.

Question 2

This question was fairly done by candidates especially questions (a), (b) and (c) except for question (d) since most candidates were unable to explain the given accounting terms correctly.

(a) State **two** differences between bookkeeping and accounting.

This question was fairly done by candidates. The responses included:

Bookkeeping information is recorded by a bookkeeper while in accounting information is recorded by an accountant.

Bookkeeping uses the double entry system while accounting uses accounting principles.

Bookkeeping collects and records accounting information while accounting classifies, summarises, analyses, and communicates accounting information.

(b) Identification of internal users of accounting information for Titi's business was fairly answered. Correct responses included:

- Business owner/Titi
- Managers
- Employees

(c) This question asked for advantages of a sole trader to Titi. A well attempted question by candidates as they could state the following:

- Owner takes all profits for himself
- Easily accessible to its customers
- Personal service
- Easy to start up
- Quick decisions are made

(d) **(i)** In this part of the question, candidates were required to explain the term **"transaction"**. In their responses they did not mention the important aspect of a transaction which is "**business activity**" instead candidates used phrases such as "buying and selling", "process". Some candidates explained "trade" instead of a "transaction". A transaction is a business activity that involves buying and selling goods.

(ii) In this part of the question candidates were required to explain "trade payables". Candidates used the word "own" instead of "owe". Some explained trade payables as "money" instead of "individuals/organizations" owed by the business".

(iii) For this part of the question candidates were required to explain "liabilities". Candidates referred to liabilities as "people owned by the business" instead of "amounts owed by the business".

(iv) In this part of the question, candidates were required to explain "turnover". In their responses candidates gave the formula for calculating turnover for example "sales less sales returns/returns inwards" instead of the full explanation which is "the difference between sales and returns inwards"

(v) For this part of the question candidates were required to explain "irrecoverable debts". Most candidates explained irrecoverable debts as "people or businesses instead of referring to them as a loss or expense to the business due to credit customers failing to pay. Some even referred to irrecoverable debts as bad debts written off.

(e) In this part of the question a majority of candidates failed to identify the correct concept. Some candidates who identified the concept failed to explain it and instead they narrated the scenario. The correct response was "business entity concept" and the explanations is "the business is treated as being completely separate from the owner of the business".

Question 3

This question was poorly answered by most candidates, and they lost a lot of marks both in the cash book and in the ledger.

(a) In the cash book candidates labelled the cash column as the bank and the bank column as the cash. For the individual entries, August 1, candidates wrote capital instead of balance b/d, some wrote balance c/d instead of balance b/d. Some candidates recorded the percentages in the discount columns instead of showing the calculated amount of the discount.

Some candidates could not differentiate between a contra entry and drawings, and they wrote "customers" and "suppliers" instead of trade receivables and trade payables.

The correct response was:

Aug	1	Balance	b/d		446	4045	Aug	5	Mango		50		950

	12	Dube		68		1682		15	wages			77	
	13	Sales				3536		18	Cash	C			214
	18	Bank	C		214			25	drawings				200
								30	Vilane		45		1360
				—	—	—		31	Balance	c/d		583	6539
				68	660	9263					95	660	9263
Sept	1	Balance	b/d		583	6539							

(b) This part of the question was fairly done by candidates. Most candidates were able to post the sales and drawings accounts correctly though some were unable to post the discounts to the ledger. Some candidates still missed out on showing dates for ledger accounts, which made them lose marks. Some candidates had a challenge in applying the double entry properly which also resulted in them losing marks.

The correct response was:

Sales account											
2025				E		2025				E	
						Aug	13	Bank		3536	
Drawings account											
Aug	21	Bank		200							
Discount Allowed account											
Aug	31	Total for the month		68							
Discount Received account											
						Aug	31	Total for the month		95	

(c) For this part of question candidates could not explain the balances instead they repeated the given information, that is, cash balance is the balance of cash and bank balance is the balance of bank in the period.

Question 4

This question was fairly answered by most candidates.

(a) Most candidates were able to answer this part of the question correctly and gave the expected responses regarding the contents of a partnership agreement such as:

- The name and address of the partnership business
- The name and address of the partners
- The amount of capital invested by each partner
- How profits and losses are to be shared
- If interest in partners' capital is to be paid and at what rate
- If salaries would be paid to partners and what amount

(b) (i) The question asked why Zipho and Ziningi receive interest on capital. This part of the question was poorly done by most candidates, and they gave responses like "because they contributed capital" or "they are the owners of the partnership". The required response was 'to encourage partners to invest more capital in the partnership business'

(ii) An explanation of Explain why Zipho and Ziningi are charged interest on drawings. This part of the question was poorly done because most candidates gave incorrect responses like "because partners took goods for own use". The required response was "to discourage partners from making unnecessary drawings"

(c) This part of the question was fairly done by most candidates. Candidates who lost marks in this question "jumbled the sub-headings, mixed the vertical and the horizontal formats, listed the items without headings and some prepared an appropriation account".

The correct response was:

Zipho and Ziningi
Statement of Financial Position as at 30 September 2025

	E	E	E
Non-current assets	Cost	Depreciation	Net book value
Premises	220 000	-	220 000
Motor vehicles	90 000	18 000	72 000
	290 000	18 000	292 000

Current assets		
Inventory	10 400	
Trade receivables	19 502	
Bank	9 800	
Cash	1 520	
		41 222
		333 222
Financed by		
Capital : Zipho		100 000
Ziningi		100 000
		200 000
Current accounts: Zipho	14 161	
Ziningi	14 661	28 822
		28 822
Non-current liabilities		
Loan-Buhle Belive Bank		92 000
Current liabilities		
Trade payables	12 000	
Rent accrued	400	
		12 400
		333 222

(d) This part of the question was poorly done. Most candidates were listing errors instead of identifying the concept. The required response was:

Money measurement concept

Record only those transactions stated in monetary terms.

Question 5

This question was fairly done by most candidates although it was challenging to some.

(a) This part of the question required candidates to explain a non-profit making organization. Most candidates were able to give the correct response, yet some only mentioned that “a non-profit making organization is established not to make profit” which led to them not scoring full marks. The correct response was “an organization whose aim is not to make profit but provide a service to its members and the community”.

(b) The question was fairly done by most candidates but only for those who lost marks by giving examples of non-profit making organizations instead of sources of income like "donations, subscriptions, trading activities, entrance fees, membership fees.

(c) This part of the question was poorly done. Most candidates explained the difference between receipts and payments instead of a receipt and payment account and a cashbook. The correct response was "a receipt and payment account is a summary of receipts and payment of a non-profit making organization while a cash book shows daily cash transactions of a business".

(d) The part of the question was fairly attempted by most candidates. Some candidates could not obtain full marks because of incomplete meanings such as "depreciation is an estimate in the loss of value of a non-current asset" leaving out the last part "over its working life" or "during its expected life".

(e) Most candidates were able to calculate depreciation for 2023, in 2024 candidates could not calculate depreciation using the reducing balance method. They could not ascertain the remaining balance from which they calculate 10% as depreciation.

31 December 2023

10/100 x E50 000 = E5 0000

31 December 2024

E50 000 -E5 000 = E45 000

10/100 x E45 000 = E4 500

(f) This question required candidates to identify the concept from the given scenario, of which some candidates could not identify the concept and or even explain it. The required response was" consistency concept", explained as "accounting methods must be used consistently from one accounting period to the next".

Paper 520/02

General Comments

The paper consisted of five structured questions. Most centers performed fairly although some centres performance was below average because of failing to write dates. Centres are advised to emphasise proper dates, which comprise of the year, month and day. In question two, most centres failed to prepare journal entries as they confused them with a trial balance and even though some prepared the journal entry, they failed to identify the account to be credited.

Centres are also urged to prepare candidates to use the vertical method in the preparation of financial statements such as the income statement. Candidates tend to mix up both the vertical and the horizontal method to prepare the income statement, which leads to losing marks. Candidates are also urged to strictly answer according to the given example in a table form questions, e.g. in question 3(a), candidates were required to show the effects of correcting errors on non-current assets, current assets and capital, stating increase, decrease or no effect. Candidate wrote effect instead of increase or decrease

Comments on specific questions.

Question 1

Overall performance in this question was below average.

(a) This question required candidate to explain the purpose of a statement of account. Generally, centres performed well in this question, although some centres wrote that a statement of account is a document used to remind the creditors to pay their accounts.

The correct response was: A statement of account is a document sent by a seller to the buyer, showing the summary of transactions that took place during the month and acts as a reminder for payment to be made.

(b) This question required candidates to explain the entries in the statement of account. The question was poorly done as candidates confused the statement of account with the bank statement. Candidates also failed to identify who was the supplier and who was the customer in the statement of account.

The expected responses were

Aug 1 Balance E1 000
Amount owed by Fana Traders to Zee Distributors bought forward from July

Aug 13 Invoice number 029, E2 100
Goods sold on credit by Zee distributors to Fana Traders

Aug 18 Credit Note number 015, E120
Fana Traders returned goods to Zee distributors.

(c) This part of the question required candidates to identify the subsidiary books used for each of the entries in the statement of account. The question was fairly done but most candidates could not link the source document with the correct subsidiary book for Aug 13 and 18.

The expected responses were.

2025	Statement of Account Entry	Subsidiary Book
Aug 1	Cheque	Cashbook
Aug 1	Discount	Cashbook
Aug 13	Invoice number 029	Sales Journal
Aug 18	Credit note number 015	Returns Inwards Journal

(d) This question required candidates to identify Zee Distributors account to be debited and credited when recording the entries in the ledger. This question was fairly done, only a few candidates could not correctly identify the accounts to be used.

The correct response was.

2025	Reference	Account Debited	Account Credited
Aug 1	Discount E200	Discount allowed	Fana Traders
Aug 13	Invoice E3 100	Fana Traders	Sales
Aug 18	Credit note E120	Returns Inwards	Fana Traders

Question 2

Overall performance in this question was below average.

(a) This part of the question required candidates to record Zinhle's transactions in the genera journal. The question was fairly done. Most candidates were able to identify the account debited and account credited, but some confused the account debited for the account credited. Some candidates wrote the account debited as a narration. Some centres prepared a trial balance, and most centres omitted the dates.

The expected response was;

Zinhle
General Journal

			Debit	Credit
			E	E
2025				
Sept 5	Office Furniture		5 000	
		Abahle		5 000

	Office furniture purchased on credit from Abahle		
Sept 10	Bubu	300	
	Interest receivable		300
	Interest charged on an overdue account		
Sept 16	Drawings	800	
	Purchases		800
	Goods taken by owner for personal use		
Sept 28	Irrevocable debt	200	
	Mavi		200
	A trade receivable account written off		

(b) This part of the question required candidates to post entries from the Zinhle's general journal to the ledger. The performance was below average. Most candidates had their entries reversed as if they were posting from the cashbook. Some centers swapped the entries as they could not identify Zinhle as the owner of the business and some candidates omitted dates.

The expected response was;

				Office Furniture Account					
2025									
Sept	5	Abahle		5 000					
				Abahle Account					
					2025				
					Sept	5	Office Furniture		5 000
				Bubu Account					
2025									
Sept	10	Interest receivable		300					
				Interest Receivable Account					
					2025				
					Sept	10	Bubu		300

				Purchases Account					
					2025				
					Sept	16	Purchases		800
				Drawings Account					
2025									
Sept	16	Purchases		800					
				Irrecoverable Debts Account					
2025									
Sept	28	Mavi		1 200					
				Mavi Account					
					2025				
					Sept	28	Irrecoverable debt		1 200

(c) This part of the question required candidates to state two uses of the general journal other than the ones recorded in Zinhle's books., part (a). The question was fairly done, although some candidates could not carefully read the question and included uses already mentioned in Zinhle's books.

The expected responses were;

Non-current assets sold on credit
Opening entries
Expenses incurred on credit
Depreciation charged on non-current assets
Interest payable
Correction of errors

Question 3

Overall performance in this question was average.

(a) This part of the question required candidates to explain the purpose of a suspense account. The performance was above average since most candidates were able to state the purpose of a suspense account.

The expected response was;

The purpose of a suspense account is to temporally make the two sides of the trial balance agree.

(b) This part of the question required candidates to explain how the difference in Bhiza's trial balance would be treated in the trial balance and suspense account. The performance in this question was very poor, few candidates were able to give the correct response, and most candidates left it unanswered.

The expected responses were;

Trial balance	-	it will be credited
Suspense account	-	it will be credited

(c) This part of the question required candidates to prepare Bhiza's trial balance after the correction of errors. The performance on this question was average. Instead of adjusting the affected items in the trial balance, most candidates simply swapped the entries from debit to credit or credit to debit.
The expected response was:

Bhiza Trial Balance as at 31 August 2025					
				Debit E	Credit E
		Capital			19 300
		Sales (12 700 + 450)			13 150
		Purchases		7 600	
		Rent Payable		1 000	
		Wages and Salaries		1 900	
		Motor Expenses (700 +500)		1 200	
		Trade Receivables		10 500	
		Motor Vehicles (19 000 – 500)		18 500	
		Cash (1 400 + 450)		1 850	
		Rent Received			600

				42 550	42 550

(d) This part of the question required candidates to show the effects of correcting errors in non-current assets, current assets, and capital. The question was fairly done, although some candidates did not follow the instruction given, instead of stating increase or decrease, some candidates wrote effect as their response.

The correct expected responses were;

Error	Effect on non-current assets	Effect on current assets	Effect on capital
Error 2	No effect	No effect	No effect
Error 3	decrease	No effect	Decrease
Error 4	No effect	No effect	Increase

(e) This part of the question required candidates to list three types of errors not revealed by the trial balance. Most candidates did not perform well in this part of the question as they gave the errors not revealed by a trial balance as the response.

The expected response was;

Arithmetic error
Posting twice on the same side of the ledger
Single entry
Posting different amounts in the two affected accounts

Question 4

Overall performance in this question was average.

(a) This part of the question required candidates to explain the difference between revenue expenditure and capital expenditure. The performance was above average, although some candidates explained capital expenditure as money used to start a business, and others simply explained it as a fixed asset.

The expected response was
Revenue expenditure is money used on the day-to-day operations of the business, while capital expenditure is money spent on buying non-current assets or improving the value of existing non-current assets.

(b) This part of the question required candidates to identify revenue expenditure, capital expenditure, revenue receipts and capital receipts from given transactions. The question was fairly done, but some candidates could not identify capital receipts, especially the loan received from bank.

The expected response was;

Transaction	Revenue expenditure	Capital expenditure	Revenue receipt	Capital receipt
Office printer bought		✓		
Goods sold for cash			✓	
Paid cash for motor expenses	✓			
Received a loan from bank				✓
Sold an old office desk				✓
Bought stationery for cash	✓			
Received cash discount			✓	
Painting a new business building		✓		

(c) This part of the question required candidates to state the class of ledger account for each of Busi's accounts. The performance was below average, since most candidates gave the divisions of the ledger as their response instead of the class. Some centres used unnominal which was thought to be the opposite of nominal.

The expected responses were;

Ledger account	Class of Ledger account
Office equipment	Real
Drawings	Proprietary
Sales	Nominal
Cash	Real
Zwide a trade payable	Personal
Interest payable account	Nominal

Question 5

Overall performance in this question was above average.

(a) This part of the question required candidates to prepare Nono's Income Statement for the year ended 30 September 2025. The performance was good, although some candidates confused the Income Statement with a Statement of Financial Position as they gave their responses with sections of the statement of financial position such as

current assets and current liabilities sections. Some candidates combined both the vertical and horizontal format in their responses, and that led to candidates losing marks.

The correct response was

Nono Income Statement for the year ended 30 September 2025						
				E	E	E
		Revenue			72 500	
		Less: Returns inwards			500	
		Turnover				72 000
		Cost of sales:				
		Opening inventory			5 400	
		Add: purchases		42 000		
		Less returns outwards		700		
		Net purchases			41 300	
		Cost of goods available for sale			46 700	
		Less: closing inventory			3 700	
		Cost of sales				43 000
		Gross profit				29 000
		Add: other incomes				
		Discount received				300
		Total income				29 300
		Less: Expenses				
		Rent (5 000 + 1000)			6 000	
		Electricity (1 900 – 900)			1 000	
		Irrecovable debts			200	
		Salareis			12 000	
		Depreciation of Equipment (90 000 x$\frac{10}{100}$)			9 000	
		Total expenses				28 200
		Profit for the year				1 100

(b) This part of the question required candidates to state the reasons why Nono calculated profit in her business. The performance in this part was good, and most candidates were able to give the correct reasons for calculating profit in a business.

The expected responses were

To determine whether the business is progressing
To calculate how much corporate tax the business has to pay
To determine the availability of funds for expansion
To get funding from financial institutions
To make internal decisions





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