



EXAMINATIONS COUNCIL OF ESWATINI
Junior Certificate Examination

Bookkeeping and Accounts

520/01

PAPER 1

October/November 2019

Confidential

MARK SCHEME

{520/01}

MARKS: 100

QUESTION 1

- (a) D
- (b) C
- (c) C
- (d) A
- (e) B
- (f) D
- (g) A
- (h) A
- (i) B
- (j) C

QUESTION 2

- (a) i) Bookkeeping – it is the recording of financial transactions(1) in a systematic way in the books of accounts or computer(1)
- ii) Bad debts – loss to the business(1) due to some debtors who are failing to pay (1)
- iii) Transaction – any business activity(1) which involves buying and selling (1) **[6]**

(b) Sizwe's Trading and Profit and Loss Account for the year ended 30 September 2019

	E	E
Sales		92 000(1)
Less sales returns		<u>3 000(1)</u>
Turnover		89 000(1)
Opening stock	8 000(1)	
Purchases	<u>43 000(1)</u>	
	51 000	
Add: Carriage inwards	<u>400(1)</u>	
	51 400	
Custom duties	<u>800(1)</u>	
	52 200	
Less: Purchases returns	<u>2 000(1)</u>	
Cost of goods available for sale	50 200(1)	
Less closing stock	<u>22 000(1)</u>	
Cost of sales (1)		<u>28 200(1)</u>
Gross profit		60 800(1)
Commission received		<u>1 000(1)</u>
		61 800
<u>Less expenses</u>		
Carriage outwards	1 500(1)	
Wages and salaries	10 000(1)	
Add arrears	<u>2 500(1)</u>	12 500
Depreciation on sewing machine	<u>2 500(1)</u>	<u>16 500</u>
Net profit		<u>45 300(1)</u>

[18]

[Total : 24 Marks]

QUESTION 3

(a) i) **Petty cashier** – is the person(1) responsible for keeping the petty cash(1) [2]

ii) **Imprest amount** – it is the initial amount given to the petty cashier (1)

to spend during the month (1)

[2]

(b)

Receipts				Paymen ts				
	Date	Details	Total	Postage	Cleaning	Stationery	Sundry expenses	Ledger
(E)			(E)	(E)	(E)	(E)	(E)	(E)
450(1)	2019 June 1	Cash						
	4	Stamps	15	15(1)				
	7	Pens	37			37(1)		
	9	Floor polish	35		35(1)			
	12	Petrol	25				25(1)	
	14	Dusters	12		12(1)			
	17	Envelopes	20	20(1)				
	20	V. Mzala	100					100(1)
	22	cashbook	10			30(1)		
			<u>284 (1)</u>	<u>35(1)</u>	<u>47(1)</u>	<u>67(1)</u>	<u>(25(1))</u>	<u>100(1)</u>
	30	Balance c/d	166					
450			450					
166(1)	July 1	Balance b/d						
284(1)	1	Cash						

[17]

(c)

Postage account

Date	Details	(E)	Date	Details	(E)
2019 Jun 30	Petty cash	35(1)			

Cleaning account

2019 Jun 30	Petty cash	47(1)			

[2]

[Total : 23 Marks]

QUESTION 4

- Profits are shared
- Decisions may take longer
- One partner's actions on behalf of the business are binding on all the partners
- Disagreements may occur
- Unlimited liabilities

(any three x two)**[3]**

- (a)** - to discourage partners from withdrawing **(1)** excessive amounts **(1)** from the business.

[2]**(b) WORKING FOR CURRENT ACCOUNT BALANCES:**

			Current – Pepe			
2019				2019		
Jun 30	Drawings	5 500		Jun 30	Interest on capital	2 000
	Balance c/d	5 000			Salary	2 500
		10 500			Share of profits	6 000
						10 500
				July 1	Balance b/d	5 000
			Current – Pupu			
2019				2019		
Jun 30	Drawings	8 800		Jun 30	Interest on capital	3 000
	Balance c/d	3 200			Share of profits	9 000
		12 000				12 000
				July 1	Balance b/d	3 200

Pepe and Pupu's Balance Sheet as at 30 June 2019

Fixed assets	E	E	Financed by:	E	E
Motor Van	50 000 (1)		Pepe	20 000 (1)	
Furniture	25 000 (1)	110 000	Pupu	30 000 (1)	50 000
Current Assets			Current accounts		
Closing stock	2 300 (1)		Pepe	5 000 (2)	
Debtors	8 000 (1)		Pupu	3 200 (2)	8 200
Cash in hand	3 000 (1)				
Prepayment	400 (1)	13 700	Long term liab		
			Bank loan		55 000 (1)
			Current liabilities		
			Creditors	6 000 (1)	
			Bank overdraft	4 000 (1)	
			Rent owing	500 (1)	10 500
		123 700			123 700

[17]**[Total: 22 marks]**

PEPE AND PUPU'S BALANCE SHEET AS AT 30 JUNE 2019

Fixed Assets	E	E	E
Motor van			50 000 (1)
Machinery			35 000 (1)
Furniture			<u>25 000 (1)</u>
			110 000
Current Assets			
Creditors		23 000 (1)	
Debtors		8 000 (1)	
Cash in hand		3 000 (1)	
Prepayment		<u>400 (1)</u>	
		13 700	
Less Current Liabilities			
Creditors	6 000 (1)		
Bank overdraft	4 000 (1)		
Rent owing	<u>500 (1)</u>	10 500	
Working Capital			<u>3 200</u>
			<u>113 200</u>
Financed By:			
Capitals: Pepe		5 000 (2)	
Pupu		<u>3 200 (2)</u>	8 200
			58 200
Add long-term liability			
Bank Loan			<u>55 000 (1)</u>
			<u>113 200</u>

QUESTION 5

- (a) i) **Current Assets** – are business properties/resources(1) whose value changes within a short term/ last for a short time(1) [2]
- ii) **Liabilities** – are amounts owed(1) by the business to other people or institutions (1) [2]

(b)

	Assets	Capital	Liabilities
1	170 000	40 000(1)	130 000
2	336 000(1)	143 000	193 000
3	175 000	112 000	63 000(1)
4	131 000	18 000(1)	113 000
5	286 000(1)	119 000	167 000

[5]

(c)

Transaction	Capital = Assets - Liabilities		
Sold Furniture by cash E10 000	No effect(1)	Cash + E10 000(1) Furniture – E10 000(1)	No effect(1)
Withdrew E1 500 from bank for his own use	Drawings – E1 500(1)	Bank – E1 500(1)	No effect(1)

[7]

- (c) i) $\frac{E60\,000 - E4\,000(1)}{4 \text{ years}}$

$$= \frac{E56\,000}{4}$$

$$= E14\,000(1)$$

[2]

- ii) **Historical cost (1)** – assets (1) are recorded at their original cost (1) [3]

[Total: 21 Marks]