



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

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ACCOUNTING

6896/01

Paper 1

October/November 2019

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your candidate name, Centre number and candidate number on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

You may use a calculator.

Answer **all** questions.

Where layouts are to be completed, you may not need all the lines for your answer.

The businesses mentioned in the Question Paper are fictitious.

The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

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

1 For each of the questions (a) to (j) below, choose the response which you consider correct and write the letter in the box to indicate the correct answer.

(a) Which represents the correct liquidity order of current assets in a statement of financial position?

- A cash, bank, trade receivable, inventory
- B inventory, trade receivable, bank, cash
- C inventory, trade receivable, cash, bank
- D trade receivable, inventory, bank, cash

[1]

(b) A bookkeeper debited the purchases account and credited the bank account by E100.

Which accounting concept did the bookkeeper apply?

- A duality
- B matching
- C prudence
- D realisation

[1]

(c) Siphso, a trader, allows his credit customers a discount of 10% and a cash discount of 5%. He sold goods, list price E1000.

How much was entered in the sales account?

- A E850
- B E855
- C E900
- D E950

[1]

(d) Which is a current asset?

- A rent payable accrued
- B rent receivable prepaid
- C telephone expenses accrued
- D telephone expenses prepaid

[1]

(e) Muntu, a general dealer, up-dated his cash book after receiving his bank statement.

Which item was recorded on the debit side of his up-dated cash book?

- A bank charges
- B credit transfer
- C direct debit
- D standing order

[1]

- (f) Nomsa, a trader, contributed her personal computer to the business.

Which entries recorded this transaction?

	account to be debited	account to be credited
A	capital	office equipment
B	Computer	capital
C	office equipment	capital
D	office equipment	Nomsa

[1]

- (g) Kwandza, a retailer, provided the following information on 31 December 2018.

	E
Revenue	12 000
Inventory on 1 January 2018	750
Inventory on 31 December 2018	300
Carriage inwards	500
Carriage outwards	700
Purchases	9 700

How much was Kwanza's gross profit?

- A** E 1350
B E 1850
C E 2050
D E 2350

[1]

- (h) What is the meaning of the money measurement concept?

- A** all assets are normally shown at cost price in the ledger
B only items with monetary value are included in accounts
C profits are calculated after adjusting for accruals and prepayments
D revenue is recorded when goods are sold not when paid for

[1]

- (i) Rent paid, E500, was entered as E50 in the books of account.

What type of error is this?

- A** commission
B complete reversal
C original entry
D Principle

[1]

- (j) Which item sold by a supermarket is subject to the standard rate of VAT?

- A** brown bread
B brown sugar
C fresh cabbage
D green bar soap

[1]

[Total: 10]

2 Siviwe trades in fruit and vegetables. All sales are made on a cash basis.

REQUIRED

(a) Identify **one** user of accounting information within and **two** outside Siviwe's business.

Within

.....

Outside

1

2 [3]

Siviwe's financial year ends on 31 July. She prepares financial statements every year.

REQUIRED

(b) (i) Name the accounting concept applied by Siviwe when assuming that her business will continue operating in the future.

..... [1]

(ii) State **three** reasons why Siviwe could use accounting information.

1

.....

2

.....

3

..... [3]

(c) State **one** difference between the following accounting terms.

(i) Bookkeeping and accounting

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

(ii) Turnover and rate of inventory turnover

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

(iii) Gross profit and profit for the year

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..... [2]

On 10 July 2019, Siviwe's cashier Zodwa, received E6000 cash from Thoba Supermarket, a trade receivable.

REQUIRED

(d) (i) Enter the missing words or figures in **each** of the spaces **(i)** to **(iv)** in Siviwe's receipt.

RECEIPT	
Siviwe's fruits and vegetables P O Box C2534 Mantonga Cell number: 79429711	Receipt number: 001511 Date: (i)
Received from: (ii)	
Paid (iii) (words)	
<div style="border: 1px solid black; display: inline-block; padding: 5px 20px;">E.....</div>	
Cashier: (iv)	

[4]

(ii) Name the subsidiary book in which Siviwe would record the document in **(d)(i)**.

..... [1]

(iii) State why it is important for Siviwe to issue a receipt to customers.

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

[Total: 19]

Zakhele provided the following information for the month ended 30 April 2019.

April	10	A cheque, E470, was received from Zukile, a credit customer
	12	Goods bought on credit, E780
	23	A motor vehicle, E45 000 was contributed by Zakhele to the business
	28	A bank loan, E20 000, was received

REQUIRED

- (b) Complete the table to show the effects of the transactions on capital, assets and liabilities. The first one has been completed as an example.

Date	Capital	Assets	Liabilities
<i>April 10</i>	<i>No effect</i>	<i>+ E470 bank – E470 trade receivables</i>	<i>No effect</i>
12
23
28

[9]

Zakhele always use the same accounting policies when preparing financial statements.

REQUIRED

- (c) (i) Name the accounting concept applied by Zakhele.

..... [1]

- (ii) Explain how Zakhele applied the accounting concept stated in (c)(i).

.....

 [2]

[Total: 21]

4 Siphoso, a trader, divides his ledger into sections.

REQUIRED

(a) State the ledger in which **each** of the following accounts would be recorded.

The first one has been completed as an example.

- 1 Salaries account *nominal/general ledger*
- 2 Sales account
- 3 Abahle account, a supplier
- 4 Drawings account
- 5 Mumsy account, a customer
- 6 Purchases account
- 7 Vuyile loan account [6]

Siphoso's subsidiary books showed the following entries for July 2019.

Cash Book (credit side)

	Discount Received	Cash	Bank
2019	E	E	E
July 19 Babili	11		429
Musa		110	
Purchases		990	

Purchases Journal

		E	E
2019			
July 8 Babili			440
21 Musa		380	
Trade discount		76	
			744

Returns Outwards Journal

		E	E
2019			
July 21 Musa		160	
Trade discount		32	
			128

REQUIRED

(b) Write up the following ledger accounts as they would appear in Siphoso's books for the month of July 2019. Balance or total the accounts as necessary.

Babili account

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Musa account

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Purchases account

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Purchases returns account

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..... [11]

- 5 Dumisani owns a boutique with two departments 'ladies' and 'mens'. The "ladies" department occupies 60% and the "mens" department occupies 40% of the floor space.

The following information was available for the year ended 28 February 2019.

	'Ladies' Department E	'Mens' Department E
Inventory 1 March 2018	22 000	10 000
Inventory 28 February 2019	18 000	15 000
Purchases	267 000	120 000
Carriage inwards	1 500	500

The total revenue for the year was E480 000, which was split between the departments; $\frac{2}{3}$ for ladies and $\frac{1}{3}$ for men.

The total expenses for the year E42 600 were apportioned between the departments in proportion of the floor space occupied by each department.

REQUIRED

- (a) State **two** reasons why Dumisani prepares departmental accounts.

1

.....

2

..... [2]

(c) Calculate Dumi's net profit percentage of revenue for **each** department for the year ended 28 February 2019, correct to **two** decimal places.

'Ladies' department

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

'Mens' department

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.....
..... [6]

Dumi's capital employed at 28 February 2019 was E300 000.

REQUIRED

(d) Calculate Dumi's net profit percentage on capital employed for year ended 28 February 2019, correct to **two** decimal places.

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..... [3]

[Total: 24]

