



EXAMINATIONS COUNCIL OF ESWATINI
Junior Certificate Examination

Bookkeeping and Accounts
PAPER 2

520/02
October/November 2020

Confidential

MARK SCHEME

{520/02}

MARKS: 100

This document consists of 6 printed pages.

Question 1

- (a) (i)** A statement of account is a summary of all transactions **(1)** that have taken place between the buyer and the seller during the course of the month. **(1)** **[2]**
- (ii)** Reasons for sending a statement of account:
- To remind the buyer to pay outstanding amount.
 - To cross check if no errors have been made by the supplier or the buyer.
 - To serve as a point of reference.
- Any two x 1 **[2]**
- (b) (i)** 10 July 2020 **(1)**
- Lwazi Stationers **(1)**
- E800 **(1)**
- E2550 **(1)** **[4]**
- (ii)** May 1: This was the balance brought down **(1)** from the previous trading period. **(1)**
- May 3: Lwazi bought goods on credit **(1)** worth E2360.50 from BBS Suppliers **(1)**
- May 15: Lwazi made a payment of E2740.00 by cheque **(1)** to BBS Suppliers. **(1)**
- May 20: BBS Suppliers issued a credit note to Lwazi Stationers **(1)** and Lwazi's returned goods to BBS suppliers. **(1)**
- May 26: Lwazi bought goods on credit again from BBS Suppliers **(1)** worth E1750.00. **(1)**
- [10]**
- [Total: 18 marks]**

Question 2

(a) Turnover: The amount remaining after sales returns **(1)** have been deducted from sales. **(1)**

Fixed assets: These are items or resources owned by a business **(1)** which have a long life span. **(1)**

Subscription: This is an annual or monthly contribution **(1)** made by members of an organisation to remain members. **(1)**

Revenue: These are proceeds from the sales **(1)** of goods and services. **(1)** **[8]**

(b) Current liabilities: amounts owed by the business which are due for repayment within year.**(1)**

Example

- Trade payables
- Bank overdraft
- All incomes prepaid
- All expenses owing

Any one x 1 mark

Non-current liabilities: These are amounts owed by the business which are not due for repayment within the current year.**(1)**

Example

- Long term loan
- Mortgage

Any one x 1 mark

[4]

(c)

Transaction	Effect on assets	Effect on capital	Effect on liabilities
Paid rent, E1500 cash	Decreased (1)	Decreased (1)	No effect (1)
Bought goods on credit from V. Vee, E2000	Increased (1)	No effect (1)	Increased (1)
Owner's personal computer given to business, E5000	Increased (1)	Increased (1)	No effect (1)

[9]

[Total marks: 21]

Question 3

Mimi
Cash book for the month of May 2020

May 1	Balance b/d(1)		2 800	6 000	May3	Rent			600(1)
6	Sales		750(1)		4	Purchases			1 300(1)
17	Sales			1 430(1)	5	Transport		80(1)	
25	D Jele	30		1 290(1)	12	Machinery			2 500(1)
29	Bank		150(1)		14	Drawings		500(1)	
					18	S Makhubu	60	1 140(1)	
					22	Insurance		180(1)	
					28	Donation		200(1)	
					29	Cash			150(1)
					31	Balance c/d		1 600	4 170
			<u>3 700</u>	<u>8 720</u>				<u>3 700</u>	<u>8 720</u>
31	Dr Disc allowed	30(1)			31	Cr Discount rec	60(1)		
Jun 1	Balance b/d		1 600(1)	4 170(1)					

[18]

[Total marks: 18]

Question 4

(a) (i) A partnership business is a business owned by two to twenty people **(1)** who contribute capital to the business. **(1)** **[2]**

(ii) More capital is raised

Allows sharing of skills and ideas

Partners can specialise

(Any 2 x 2)

[4]

(b)

Sizo and Menzi

Profit and Loss Appropriation Account for the year ended 30 August 2020

	E	E	E	
Net Profit			6000 (1)	
Add: Interest on drawings: Sizo			<u>30(1)</u>	
			6030	
Less: Interest on capital: Sizo	120 (1)			
Menzi	<u>80(1)</u>	200		
Salary: Sizo		<u>1300(1)</u>	<u>1500(1)</u>	
			<u>4530</u>	
<u>Share of profits:</u>				
Sizo		3020 (1)		
Menzi		<u>1510(1)</u>		
			<u>4530</u>	

[8]

(c)

		Sizo Current account				E
		E				
April 30	Drawings	1500 (1)	May 1	Balance b/d		150
	Interest on drawings	30 (1)	Apr 30	Interest on Capital		120 (1)
	Balance c/d	3060		Salary		1300 (1)
				Share of profit		<u>3020 (1)</u>
		<u>4590</u>				<u>4590</u>
				Balance b/d		3060 (1)

[6]

[Total: 20]

Question 5

(a)(i) Bad debt is the amount of money which cannot be recovered **(1)** from the debtors **(1)**.**[2]**

- **(ii)** When the debtor becomes insane
- When the debtor dies before paying off the debt
- When the debtor lose his/her job and becomes unable to settle the bill.

Any two x 1

[2]

(b) Ledger account items:

- Date
- Detail
- Amount

[3]

(c)

<u>Accounts</u>	<u>Final accounts</u>
Bad debts	Profit and loss account (1)
Drawings	Balance sheet (1)
Purchases	Trading account (1)
Zitha Motors	Balance sheet (1)
Interest received	Profit and loss (1)

[5]

(d) Corrected Opening Statement as at 1 July 2019

			E		E	
	Buildings		110 000	(1)		
	Machinery		13 000	(1)		
	Fixtures and fittings		9 000	(1)		
	Trade receivables		22 000	(1)		
	Cash in hand		1 800	(1)		
	Expenses prepaid		1 200	(1)		
	Trade payables				14 000	(1)
	Bank overdraft				7 000	(1)
	Expenses owing				2 300	(1)
	Inventory		3700	(1)		
	Capital				137400	(1)
			<u>160 700</u>		<u>160700</u>	

[11]

[Total: 23 marks]