

Books of prime entry

J11/12/ (11/13 same)

2(a) Name two books of prime (original) entry.

- (i)
- (ii)[2]

J11/21

1 Ian McDonald buys goods from Fiona Fraser. The following document was issued at the end of April 2011.

STATEMENT OF ACCOUNT				
Fiona Fraser				
Unit 12 Newton Industrial Estate				
Bradleyford				
Ian McDonald High Street Seatown			30 April 2011	
Date	Reference	Debit \$	Credit \$	Balance \$
2011				
April 1	Balance	100.00		100.00
4	Interest charged	2.00		102.00
19	Cheque		102.00	0
22	Invoice 496	250.00		250.00
27	Credit note 202		20.00	230.00
The last amount shown in the balance column is the amount now due.				
Terms: 2% cash discount if amount paid within 14 days of date of statement.				

REQUIRED

(a) State the purpose of a statement of account.

.....

.....

.....[1]

(b) Name the person who issued the above statement of account.

.....[1]

- (c) Prepare the journal entry Ian McDonald would make to record the transaction on 4 April. A narrative is required.

Journal

	Debit \$	Credit \$

[3]

- (d) Name the ledger accounts in which **Ian McDonald** would record **each** of the following transactions.

	Transaction	Account debited	Account credited
(i)	22 April Invoice 496		
(ii)	27 April Credit note 202		

[4]

- (e) Name the books of prime (original) entry in which Fiona Fraser would record each of the following transactions.

	Transaction	Book of prime (original) entry
(i)	19 April Cheque	
(ii)	22 April Invoice 496	
(iii)	27 April Credit note 202	

[3]

- (f) State one possible reason for the issue of the credit note on 27 April.

.....
 [1]

- (g) The amount outstanding was paid by cheque on 12 May. State how much would be paid and give a reason for your answer.

Amount.....
 Reason.....
 [2]

[Total: 15]

J12/12

- 2(a) In which ledger would a supplier's account be found?

..... [1]

J12/13

2(a) Name the document issued by a supplier of goods on credit to the customer.
.....[1]

(f) Smart ordered 300 computer components from Raj. The price of each component was \$10.30. Raj allowed a trade discount of 4%.

Calculate the total of the invoice Smart received. Show your workings.

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

J12/22

1 Dalia Said is a trader. She maintains a full set of accounting records. She purchases and sells goods on credit.

The following transactions took place in March 2012.

- March 2 Bought goods, \$1 950, on credit from Essam Wholesalers
- 8 Bought goods on credit from Ramy El Din, list price \$680, subject to a trade discount of 20%
- 14 Returned goods, list price \$120, to Ramy El Din
- 21 Paid the balance owing to Essam Wholesalers by cheque, less 2% cash discount
- 28 Paid a cheque for \$300 on account to Ramy El Din

REQUIRED

(a) Write up the purchases journal and the purchases returns journal for March 2012. Total each journal and indicate the ledger account to which the total would be transferred.

Dalia Said
Purchases journal

Date	Details	\$	\$

[3]

Purchases returns journal

Date	Details	\$	\$

[2]

- (b) Write up the accounts of Essam Wholesalers and Ramy El Din as they would appear in Dalia Said's ledger for the month of March 2012.

There was no balance on either of these accounts on 1 March 2012.

Dalia Said
Essam Wholesalers account

Date	Details	\$	Date	Details	\$

[3]

Ramy El Din account

Date	Details	\$	Date	Details	\$

[4]

- (c) Name the ledger in which Dalia Said would maintain the accounts of Essam Wholesalers and Ramy El Din.

.....[1]

N12/12

- 2(a) Sheva returned faulty goods to her supplier, Limpo Limited. Name the business document which Limpo Limited issued to Sheva:

- (i) When the goods were supplied

.....[1]

- (ii) When the goods were returned.

.....[1]

- (b) Give **two** examples of accounts in the nominal (general) ledger which would be entered in the trading account section of the income statement.

1

2[2]

- (c) Naomi bought goods on credit from Ruth for \$560. Ruth offers 2½% discount for payment within ten days. Naomi paid her account within this period.

Calculate the amount of the discount which Naomi received.

.....

[1]

N12/12

- 3 Walek sells goods for cash and on credit. He puts the cash receipts in a box and pays the total into his bank account each month. He pays the cheques received from his credit customers into the bank on the day he receives them.

On 1 September 2012 Walek’s cash book showed a debit balance at the bank of \$2 400.

Walek had the following transactions in September 2012.

September		\$
3	Cheque received from Lashki	640
4	Sold goods on credit to Sharon	420
9	Purchased goods on credit from Bruton	1 980
14	Paid two weeks’ wages by cheque	250
16	Cheque received from Yovell	370
28	Paid two weeks’ wages by cheque	280
29	Paid cheque to Bruton	1 980
30	Cash sales for the month	3 560

On 21 September the bank returned Yovell’s cheque dishonoured.

REQUIRED

- (a) Make the necessary entries in the bank columns of Walek’s cash book to record the above transactions. Balance the cash book and bring down the balance on 1 October 2012.

Walek
Cash Book (bank columns only)

Date	Details	\$	Date	Details	\$

[8]

- (b) From the information given on page 8 and the entries in the cash book, make the entries in the following accounts in Walek's ledger to record the transactions for September 2012. [11]

Walek

Sales account

Date	Details	\$	Date	Details	\$

Purchases account

Date	Details	\$	Date	Details	\$

Wages account

Date	Details	\$	Date	Details	\$

Lashki account

Date	Details	\$	Date	Details	\$

Sharon account

Date	Details	\$	Date	Details	\$

Yovell account

Date	Details	\$	Date	Details	\$

Bruton account

Date	Details	\$	Date	Details	\$

N12/13

2(a) Name two books of prime (original) entry.

- 1
- 2 [2]

5 Joolia buys supplies of food from HiClass Foods Ltd. Their account in her ledger for September 2012 was as follows.

Joolia HiClass Foods Ltd					
Date	Details	\$	Date	Details	\$
2012			2012		
Sept.7	Bank	273	Sept.1	Balance b/d	280
	Discount	7	12	Purchases	475
15	Purchases returns	35			
30	Balance c/d	440			
		755			755

REQUIRED

(d) State the section of Joolia’s ledger in which the above account would appear.

..... [1]

(e) Explain **each** entry in the above account. State where the double entry for each transaction would have been made. The first one has been completed as an example.

1 September Balance b/d

Explanation: This is the balance owed by Joolia to HiClass Foods Ltd.
 Double entry: Debit HiClass Foods Ltd (August account).

7 September Bank

Explanation:

.....

.....

Double entry: [2]

7 September Discount

Explanation:

.....

.....

Double entry: [2]

12 September Purchases

Explanation:
.....
.....
Double entry:[2]

15 September Purchase returns

Explanation:
.....
.....
Double entry:[2]

30 September Balance c/d

Explanation:
.....
.....
Double entry:[2]

J13/11

3(a) Imran is a trader. He issues three business documents to his customers. State in which book of prime entry, if any, each document is recorded.

Document	Book of prime entry
Sales invoice	
Credit note	
Statement of account	

[4]

The following information is available about Hannah, a credit customer:

- March 1 owed Imran \$200.
- March 6 purchased goods, list price \$320, less 20% trade discount.
- March 12 returned goods with a list price of \$80.
- March 28 paid the balance due on 1 March after deducting a cash discount of 2%.

REQUIRED

(b) Prepare Hannah’s account for March in the books of Imran. Balance the account on 31 March and bring down the balance on 1 April.

Hannah account

Date	Details	\$	Date	Details	\$

[7]

(c) Explain why Imran offered the following discounts to Hannah:

Trade discount

Cash discount

[4]

[Total: 15]

J13/12

3 A sales invoice sent by Gordon to Jacqui in February showed the following.

Quantity	Description	Unit price	Total price
		\$	\$
10	Cans of cooking oil	7.50	75.00
	Less: 20% trade discount		(15.00)
			<u>60.00</u>

(b) State why Gordon allowed Jacqui a trade discount.

.....
 [2]

(c) (i) Jacqui was entitled to a 5% cash discount. Calculate the value of the cash discount.

.....
 [1]

(ii) Show how the cash discount would be recorded in Gordon's books of account.

Account to be debited	Account to be credited

[2]

(iii) State why Gordon allowed Jacqui a cash discount.

.....
 [2]

- (d) Indicate by placing a tick (✓) in the table below to indicate whether each business is a trading or a service business. The first has been completed as an example.

	Trading business	Service business
Clothing retailer	✓	
Accountant		
Hairdresser		
Car dealer		
Computer component manufacturer		

[2]

[Total: 14]

J13/21

- 3 (f) Sanath Jaffer divides his ledger into three sections – general ledger, sales ledger and purchases ledger.

- (i) State **one** advantage of dividing the ledger into these three sections.

.....[1]

- (ii) Give **one** example of an account which may appear in **each** section of the ledger.

General ledger

Sales ledger

Purchases ledger[3]

N13/11

- 4(a) Alan sells goods on credit to Vicky. During July four documents were issued. Complete the table below, using a tick (✓) to show who issued each document.

Document	Alan	Vicky
Invoice		
Credit note		
Debit note		
Statement of account		

[4]

On 1 July 2012 Alan's insurance account showed a prepayment of \$200. On 1 September 2012 he paid insurance of \$1 320 for the year to 31 August 2013.

- (b) Prepare the insurance account for the year ended 30 June 2013. Balance the account and bring down the balance on 1 July 2013.

Insurance account

Date	Details	\$	Date	Details	\$

[5]

On 1 July 2012 Alan had stationery valued at \$60. During the year ended 30 June 2013, Alan bought stationery, \$810. On 30 June 2013 he had stationery valued at \$110.

- (c) Prepare the stationery account for the year ended 30 June 2013. Balance the account and bring down the balance on 1 July 2013.

Stationery account

Date	Details	\$	Date	Details	\$

[5]

N13/13

- 2 (g) Name the following documents.

	Document
a document sent by a supplier showing the balance owing at the end of a month	
a document sent to a customer as a demand for payment	
a document sent by a customer detailing the allowance due on returned goods	

[3]

N13/13

6 On 1 July 2013 a trader had the following transactions.

- 1 Received \$800 by cheque from subletting premises.
- 2 Took goods costing \$200 for his own use.
- 3 Received \$600 by cheque in full settlement of a debt of \$625 from Tabitha, a credit customer.
- 4 Sold goods costing \$1 000 on credit to Samir for \$1 400.

(a) Complete the table below showing how these transactions are recorded. The first one has been completed as an example.

Transaction	Debit entry		Credit entry	
		\$		\$
1	Bank	800	Rent receivable	800
2				
3				
4				

[7]

N13/23

1 Khalid Mirza is a trader.

On 1 October 2013 his trade payables included Fatima Waheed, who was owed \$450, and Sajid Manzoor who was owed \$280.

Khalid Mirza's transactions for the month of October 2013 included the following.

- October 4 Bought goods on credit from Fatima Waheed, list price \$320, less 25% trade discount
12 Paid the amount owing to Sajid Manzoor by cheque less 2½% cash discount
14 Returned goods to Fatima Waheed. These were purchased on 4 October, list price \$80
21 Bought goods on credit from Sajid Manzoor, \$360
26 Received an additional invoice from Sajid Manzoor, \$90, to correct an undercharge for goods bought on 21 October
31 Received notification from Fatima Waheed that \$9 interest would be charged as the September account was overdue

(a) Name the source document which Khalid Mirza would use to record the following transactions.

Transaction		Document
October 4	Bought goods on credit from Fatima Waheed	
October 12	Paid the amount owing to Sajid Manzoor by cheque	

[2]

- (b) Name the book of prime (original) entry in which Khalid Mirza would record the following transactions.

Transaction		Book of Original Entry
October 14	Returned goods to Fatima Waheed	
October 31	Received notification from Fatima Waheed that interest would be charged	

[2]

- (c) Write up the accounts of Fatima Waheed and Sajid Manzoor as they should appear in Khalid Mirza's ledger for the month of October 2013.

Fatima Waheed account

Date	Details	\$	Date	Details	\$

[4]

Sajid Manzoor account

Date	Details	\$	Date	Details	\$

[4]

- (d) State **two** reasons why a statement of account is issued by a credit supplier.

- 1
-
- 2
-[2]

(e) Explain the difference between a credit note and a debit note.

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

[Total: 16]

J14/22

1 Paul Katanga is a trader. The balances on his books on 1 April 2014 included the following.

	\$
Cash	75
Bank overdraft	2 190
Moloi Stores (credit customer)	50
T Nekundi (credit supplier)	320

Paul Katanga's transactions during April 2014 included the following.

- April 2 Sold goods on credit to Moloi Stores, \$34
- 5 Paid \$620 by cheque. This included payment for new office equipment, \$580, and repairs to old office equipment, \$40
- 8 Received a cheque from Moloi Stores in settlement of their account
- 13 Purchased goods on credit from T Nekundi, list price \$260 subject to a trade discount of 20%
- 17 Returned goods (purchased on 13 April) to T Nekundi, list price \$80
- 21 The bank dishonoured the cheque received from Moloi Stores on 8 April
- 24 Paid a cheque to T Nekundi for the balance due on 1 April, less 2½% cash discount
- 28 Cash sales, \$2500
- 29 Cash withdrawn for personal use, \$300
- 30 Wrote off the amount owing by Moloi Stores
- Paid all cash into bank except \$60

REQUIRED

(a) Prepare Paul Katanga's cash book. Balance the cash book and bring down the balances on 1 May 2014.

J14/22

2 Maria Rahman maintains a full set of accounting records and prepares control accounts at the end of each month.

REQUIRED

(a) Name the book of prime (original) entry which Maria Rahman would use to obtain the following information when preparing her sales ledger control account.

	Book of prime (original) entry
bad debts written off	
discount allowed	
returns by credit customers	
contra entries	

[4]

N14/22

1 Sahira Ali is a trader. Her ledger is divided into a sales ledger, a purchases ledger and a nominal (general) ledger.

REQUIRED

(a) State **two** advantages of dividing the ledger into these three sections.

- 1
-
- 2
-[2]

(b) Name **one** account which would appear in the nominal (general) ledger.

.....[1]

On 1 October 2014 Sahira Ali's trade payables included the following.

	\$
Waheed Khan	390
Iqbal Wholesalers	650

Sahira Ali's transactions for October 2014 included the following.

- October 5 Purchased goods on credit from Iqbal Wholesalers, \$280
- 13 Purchased goods on credit from Waheed Khan, list price \$420, less 20% trade discount
- 16 Returned goods, list price \$210, to Waheed Khan
- 24 Sent a cheque for \$380 to Waheed Khan in full settlement of the amount owing on 1 October
- 31 Iqbal Wholesalers charged \$6 on the overdue account

REQUIRED

(c) Write up the following accounts in the ledger of Sahira Ali for the month of October 2014. Balance the accounts and bring down the balances on 1 November 2014.

Sahira Ali
Waheed Khan account

Date	Details	\$	Date	Details	\$

Iqbal Wholesalers account

Date	Details	\$	Date	Details	\$

[9]

Ahsan Zarif, TCS, PAF Chapter

J15/23

1 Kuda Maposa had the following transactions on 31 March 2015.

- 1 Took goods costing \$300 for personal use.
- 2 Purchased a motor vehicle, \$12 000, for business use, using a cheque drawn on her personal bank account.
- 3 Received an invoice from Valley Machines for \$990. This included \$865 for a new machine. The balance was for repairs to existing machine.

REQUIRED

(e) Prepare journal entries to record the above transactions. Narratives **are** required.

Kuda Maposa
Journal

		Debit \$	Credit \$
1			
2			
3			

[9]

J15/23

2 (a) Insert the missing figures in the following document.

Quantity	Description	Unit price	Amount
4	External doors	\$ 55	\$ 220
	Less: (i)% trade discount		33
			(ii)
20 metres	Floorboards	1.50	30
			(iii)

[3]

(b) Name the person who issued the credit note.
[1]

(c) Suggest one reason for the issue of the credit note.
[1]

(d) Name the document which would have been issued to request a credit note.
[1]

(e) Complete the following table to show where the credit note would be recorded.

Books of Jai Kapur		Books of Vijay Singh	
Account debited	Account credited	Account debited	Account credited

[4]

J15/22

1 Nyasha Chingono is a trader. She maintains a full set of accounting records. She buys goods on credit.

On 1 April 2015 Nyasha Chingono owed John Moyo \$560.

The following transactions took place in April 2015.

- April 3 Bought goods on credit from Wholesalers Limited, \$358
- 12 Bought goods on credit from John Moyo, list price \$480, subject to a trade discount of 25%
- 18 Returned goods to John Moyo, list price \$160
- 27 Paid John Moyo, by cheque, the balance owing on 1 April, subject to a cash discount of 2½%

REQUIRED

(a) Prepare the purchases journal and the purchases returns journal for April 2015. Total each journal and indicate the ledger account to which the total would be transferred.

Nyasha Chingono
 Purchases journal

Date	Details	\$	\$

Purchases returns journal

Date	Details	\$	\$

[5]

- (b) Prepare the following accounts in Nyasha Chingono’s ledger for the month of April 2015. It is not necessary to balance any of the accounts.

Nyasha Chingono
John Moyo account

Date	Details	\$	Date	Details	\$

Purchases account

Date	Details	\$	Date	Details	\$

Purchases returns account

Date	Details	\$	Date	Details	\$

[7]

- (c) State one advantage and one disadvantage of paying credit suppliers before the due date.

Advantage

.....

Disadvantage

.....[2]

The following incomplete statement of account was available on 31 August 2015.

STATEMENT OF ACCOUNT				
Shahid Ayub				
44 Narrow Lane, Anytown				
Mariam Soliman			31 August 2015	
The Avenue				
Weston				
Date	Reference	Debit \$	Credit \$	Balance \$
2015				
Aug. 1	Balance due			520
9	Goods	340		860
13	Returns		24	?
24	Payment		507	?
	Discount		13	?

REQUIRED

- (b)(i) Calculate the balance due on 31 August.
[1]
- (ii) State the name of the trader who owes the balance at 31 August.
[1]
- (c) State the business document and the book of prime (original) entry Shahid Ayub would use to record the following transactions which appear on the statement of account.

Date	Transaction	Document	Book of prime (original) Entry
Aug. 9	Goods		
13	Returns		
24	Payment		

[6]

- (d) Prepare the account of Shahid Ayub as it would appear in the ledger of Mariam Soliman. Balance the account and bring down the balance on 1 September 2015.

Mariam Soliman
Shahid Ayub account

Date	Details	\$	Date	Details	\$

[6]

[Total: 23]

N15/23

1 Paul Chew sells goods on credit terms to Kim Chan.

REQUIRED

(c) Complete the table to name the business document and the books of prime (original) entry for **each** of the following transactions. If the document is **not** recorded in a book of prime (original) entry write "No entry". The first transaction has been completed as an example.

	Document	Paul Chew's book of prime (original) entry	Kim Chan's book of prime (original) entry
Paul Chew received payment from Kim Chan	<i>Cheque</i>	<i>Cash book</i>	<i>Cash book</i>
Paul Chew sold goods on credit to Kim Chan			
Kim Chan notified Paul Chew of an overcharge			
Paul Chew notified Kim Chan that he agreed the overcharge			
Paul Chew sent Kim Chan a summary of the month's transactions			

[12]

J16/22

1 Carol is a trader. She maintains a three column cash book and also a petty cash book. The imprest amount is \$100. All payments below \$50 are made from petty cash.

REQUIRED

(a) State **two** reasons for maintaining a petty cash book.

- 1
-
- 2
-

[2]

Carol had the following transactions during April 2016.

- April 1 Petty cash imprest restored from the business bank account.
- 4 Purchased tea and coffee for office staff, \$11.
- 9 Paid K Mzolo's account of \$450, by cheque, after deducting a cash discount of 2%.
- 16 Bought stationery, \$25.
- 19 Paid taxi fare, \$8.
- 20 Received a cheque from B Mamba in settlement of his account of \$920, less 2½% cash discount.
- 23 Paid T Nhete, a credit supplier, \$38.
- 28 Cash sales, \$2 970.
- 29 Paid all the cash in the main cash account, except \$100, into the bank account.

J16/22

5 Paul is a trader. He maintains a full set of accounting records. His ledger is divided into a sales ledger, a purchases ledger and a nominal (general) ledger.

REQUIRED

(a) State **one** advantage of dividing the ledger into these three sections.

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

(b) Name the ledger in which **each** of the following accounts would appear.

- (i) J Smithson, a credit supplier, account ledger
- (ii) Sales returns account ledger
- (iii) Discount allowed account ledger

[3]

N16/22

1 Amira’s financial year ends on 30 September. She buys and sells on both cash and credit terms and maintains a full set of accounting records. Control accounts are prepared at the end of each month.

REQUIRED

(a) Name the book of prime (original) entry which Amira would use to obtain the following information when preparing her sales ledger control account.

	Book of prime (original) entry
Cheque refund to credit customer	
Bad debts written off	
Returns by credit customers	
Interest charged on customer’s overdue account	

[4]

N16/22

2 Diane is a trader. She buys goods on credit from Udomo. On 1 October 2016 Diane owed Udomo \$720. Several transactions took place between the traders in October 2016.

REQUIRED

(a) Complete the following table. Name the book of prime (original) entry in which **each** document would be recorded by **each** trader. If the document is not entered in a book of prime (original) entry, write "No entry".

Date	Document	Book of prime entry used by Diane	Book of prime entry used by Udomo
Oct.8	Invoice \$560		
12	Debit note \$115		
16	Credit note \$100		
24	Cheque \$720		
31	Statement of account \$460		

[10]

(b) Name the person who issued **each** of the following documents. In **each** case suggest **one** reason for the issue of that document.

(i) Debit note 12 October

Name of person issuing the document

Reason for the issue of the document

.....

..... [2]

(ii) Credit note 16 October

Name of person issuing the document

Reason for the issue of the document

.....

..... [2]

(iii) Statement of account 31 October

Name of person issuing the document

Reason for the issue of the document

.....

..... [2]

- (c) Prepare the account of Diane as it would appear in the ledger of Udomo for October 2016. Balance the account and bring down the balance on 1 November 2016.

Udomo
Diane account

2016		\$		2016		\$
Oct. 1	Balance b/d	720				

[4]

[Total: 20]

N16/23

- 1 Jolindi is a trader who maintains a full set of accounting records including a three column cash book. Her transactions for September 2016 included the following.

- September 5 Cash sales, \$515, of which \$400 was paid directly into the bank
 10 A cheque received in August for \$190 from C Barnes was dishonoured
 15 Received a cheque from H Magagula to settle her debt of \$480, less 2½% cash discount
 21 Paid \$324 by cheque, for new office equipment, \$280, and repairs to existing office equipment, \$44
 28 Paid all the cash into the bank except \$50

REQUIRED

- (a) Complete Jolindi's cash book. Balance the cash book and bring down the balances on 1 October 2016.

Jolindi
Cash Book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2016		\$	\$	\$	2016		\$	\$	\$
Sept.1	Balance b/d		193		Sept.1	Balance b/d			1 560

[10]

(b) State why it is **not** possible for Jolindi to have a credit balance in the cash column of her cash book.

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

J17/21

1 Amjad is a furniture wholesaler. He maintains a three column cash book.

On 1 March the bank column of his cash book showed a debit balance brought down of \$2 750. On the same day the bank statement showed a credit balance of \$2 750.

REQUIRED

(a) State why the bank statement balance is on the opposite side to that shown in the cash book.

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

The following transactions took place in March 2017.

- March 6 Paid \$950 by cheque. This included \$790 for a new computer system, and the balance was for repairs to existing office equipment
- 13 Received a cheque from XY Limited for \$196 to settle its account after deducting 2% cash discount
- 21 Paid Furniture Store a cheque for \$351 in full settlement of the balance owing of \$360
- 29 Made cash sales, \$2 148
- 30 Paid cash into bank, \$2 000

Amjad received his bank statement for March 2017.

The following items appeared on the bank statement but had not been recorded in his accounting records.

	\$
Bank charges	29
Insurance paid directly by the bank	50
A credit customer, Idris, had paid his account by credit transfer	474

The bank had not yet recorded the transactions which took place on 21 March and 30 March.

REQUIRED

(b) Complete Amjad's cash book. Balance the cash book and bring down the balances on 1 April 2017.

Shiromi
Purchases Returns Journal

Date	Details	\$	\$
April 7	Lincy		
	Goods	700	
	Less: Trade discount	(140)	560
30	Total for month		560

REQUIRED

- (a) Enter the transactions for April in the following ledger accounts. It is **not** necessary to balance or total any of the accounts.

**Shiromi
General Ledger**

Rent and rates account

Date	Details	\$	Date	Details	\$

Motor vehicle account

Date	Details	\$	Date	Details	\$

Sales account

Date	Details	\$	Date	Details	\$

Drawings account

Date	Details	\$	Date	Details	\$

Purchases account

Date	Details	\$	Date	Details	\$

Purchases returns account

Date	Details	\$	Date	Details	\$

Discount received account

Date	Details	\$	Date	Details	\$

Purchases Ledger

Lincy account

Date	Details	\$	Date	Details	\$

Gail account

Date	Details	\$	Date	Details	\$

[13]

J17/22

- 2 Waheed is a trader. He maintains a full set of accounting records and prepares control accounts at the end of each month.

REQUIRED

- (a) Name the book of prime (original) entry which Waheed would use to obtain the following information when preparing his sales ledger control account.

	Book of prime (original) entry
Discount allowed	
Bad debts	
Contra	
Returns	

[4]

N17/21

- 2 (b) Name the book of prime (original) entry which Mahendra would use to obtain the following information when preparing his purchases ledger control account.

	book of prime (original) entry
returns to credit suppliers	
discount received	
interest charged by credit supplier	
contra entry to sales ledger control account	

[4]

N17/22

- 1 Saffie is a trader. She maintains a three column cash book and also a petty cash book. The imprest amount is \$150. All payments below \$100 are made from petty cash.

Saffie had the following transactions in September 2017.

- September 1 Petty cash imprest restored from the business bank account
 3 Paid taxi fare, \$12
 7 Paid \$461 by cheque for repairs to office machinery
 11 Purchased office stationery, \$64
 15 A cheque for \$210 received from SL Stores in August was dishonoured by the bank
 21 Paid Faariqa, a credit supplier, \$29
 26 Received a cheque from Thushari, \$392, in settlement of the amount due less 2% cash discount
 28 Cash sales, \$4840, of which \$4800 was immediately paid into the bank
 29 Paid Sopitha's account of \$480 after deducting a cash discount of 2½%
 30 Paid postage, \$22

REQUIRED

- (a) Record the above transactions in the following books. Balance each book and bring down the balances on 1 October 2017.

(i)

Saffie
Petty cash book

Total Received	Date	Details	Total paid	Travel	Postages & Stationery	Ledger accounts
\$	2017		\$	\$	\$	\$
63	Sept.1	Balance b/d				

[9]

(ii)

Saffie
Cash book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2017		\$	\$	\$	2017		\$	\$	\$
Sept.1	Balance b/d		120		Sept.1	Balance b/d			3 841

[10]

J18/22

1 J Smith is a wholesaler. He provided the following incomplete document on 28 February 2018.

J Smith Wholesale Supplier 112 Long Road Westtown				
W Jones High Street Eastford			28 February 2018	
Date	Reference	Debit \$	Credit \$	Balance \$
2018				
Feb. 1	Balance due			700
11	Goods	450		?
19	Returns		115	?
28	Payment		686	?
	Discount		14	?

REQUIRED

(a)(i) State the name of the document.
[1]

(ii) Calculate the balance on the document at the end of February 2018.

[1]

(iii) Calculate the percentage of the discount on 28 February.

[1]

(iv) Name the type of discount on 28 February.
[1]

(b) Complete the following table by placing a tick (✓) in the correct column to indicate how J Smith would record the issue of this document in his accounting records.

debit entry in ledger account of W Jones	credit entry in ledger account of W Jones	no entry would be made

[1]

(c) Complete the following table relating to the transaction of 11 February.

document issued	name of person issuing document	entries made by W Jones	
		account debited	account credited

[4]

(d) Name the book of prime (original) entry in which **each** trader would record the transaction of 19 February.

book of prime (original) entry used by J Smith	
book of prime (original) entry used by W Jones	

[2]

N18/21

1 Thato opened a wholesale shoe business on 1 August 2018. He buys and sells on credit terms.

REQUIRED

(a)(i) State the purpose of a debit note received by Thato from Abebe, a credit customer.

.....
 [1]

(ii) Complete the following table by placing a tick (✓) to indicate how Thato would record this debit note in the account of Abebe.

credit Abebe account	debit Abebe account	no entry

[1]

(b)(i) State the purpose of a statement of account issued by Thato to Abebe.

.....
 [1]

(ii) State why Thato did **not** record this in his ledger.

.....
 [1]

Thato received the following invoice from Nyack, a credit supplier.

Invoice Nyack Low Road Anytown		Thato Lot 14 Industrial Estate Somecity		4 August 2018
100 pairs	Men's shoes assorted sizes and styles	\$ per unit 40	\$ 4 000	
50 pairs	Ladies' shoes assorted sizes and styles	45	<u>2 250</u>	
			6 250	
	Less: 20% trade discount		<u>(1 250)</u>	
	Terms: 2 ½ % discount for payment in 30 days		<u>5 000</u>	

REQUIRED

- (c)(i) State **one** reason why Nyack allowed Thato trade discount.
 [1]
- (ii) State **one** reason why Nyack offered Thato cash discount.
 [1]
- (iii) Calculate the amount of the cheque Thato gave to Nyack on 31 August 2018 to settle the account.

 [1]
- (iv) Name the ledger in which Thato would maintain Nyack's account.
 [1]

In addition to the invoice received from Nyack on 4 August, Thato received the following documents.

- August 9 Invoice received from Gaby, a new supplier for goods, \$2 600 less 20% trade discount.
 13 Credit note received from Gaby for goods returned, list price \$100.

On 30 August Thato paid Gaby the amount owing by cheque less 2% cash discount.

REQUIRED

- (d) Prepare Thato's purchases journal and purchases returns journal for the month of August 2018. Total **each** journal and indicate the ledger account to which the total would be transferred.

Thato
Purchases journal

Date	Details	\$	\$

Purchases returns journal

Date	Details	\$	\$

[5]

- (e) Prepare the following accounts in Thato's ledger for the month of August 2018. It is **not** necessary to balance any of the accounts.

Thato
Purchases account

Date	Details	\$	Date	Details	\$

Purchases returns account

Date	Details	\$	Date	Details	\$

Gaby account

Date	Details	\$	Date	Details	\$

[6]

N18/21

2 Sara maintains a petty cash book. The monthly imprest of \$120 is restored on the first day of each month. The entries in Sara’s petty cash book for July 2018 were as follows.

Sara
Petty Cash Book

Total Received	Date	Details	Total paid	Cleaning	Postages	Sundries	Ledger Accounts
\$	2018		\$	\$	\$	\$	\$
42	July 1	Balance b/d					
78		Cash					
	4	Stamps	4		4		
	13	Parcel post	25		25		
	19	Cleaning materials	55	55			
	23	Sabeena (credit supplier)	19				19
	29	Sundry expenses	6			6	
5	30	Refund for faulty cleaning materials					

REQUIRED

(a) State **one** advantage to Sara of maintaining a petty cash book.

.....
 [1]

(b) Show the entries which would be made in the cleaning account in July 2018. It is **not** necessary to close or balance the account.

Sara
Cleaning account

Date	Details	\$	Date	Details	\$

[2]

(c) State how the double entry is completed for the item recorded in the ledger accounts column of the petty cash book.

.....
 [2]

(d) State the double entry for restoring the imprest on 1 August 2018.

Debit		Credit	
	\$		\$

[3]

N18/22

1 Rajinder owns an engineering business. His financial year ends on 31 July.

His cash book for July 2018 was as follows.

Rajinder
Cash Book

Date 2018	Details	Dis. * \$	Cash \$	Bank \$	Date 2018	Details	Dis. * \$	Cash \$	Bank \$
July 1	Balance b/d		113		July 1	Balance b/d			4 074
3	W Limited	18		582	2	Petty cash		93	
15	Sale of old machinery		500		7	Ayesha (cheque dishonoured)			133
22	Cash			450	18	Machinery			1 420
29	Sales		220	880	22	Bank		450	
					27	AM Limited	8		312

*Dis. stands for Discount

REQUIRED

(a)(i) State the significance of the balance shown on the credit side of the cash book on 1 July 2018.

.....
 [1]

(ii) State why the entry on 2 July was required.

.....
 [1]

(iii) Calculate the percentage that the discount on 3 July represents.

.....
 [1]

(iv) Suggest **one** possible reason why the cheque from Ayesha was dishonoured.

.....
 [1]

(v) Explain the entries on 22 July.

.....

 [2]

(vi) State the meaning of the entry on 29 July.

.....

 [1]

(b) Calculate the cash and bank balances at the end of July. Name the section of the statement of financial position in which **each** balance would appear.

Cash balance \$

Section of statement of financial position

Bank balance \$

Section of statement of financial position [4]

(c) Complete the following accounts in Rajinder's ledger. Close the accounts on 31 July 2018 by balancing or by making a transfer to an appropriate account.

Some entries have already been made in the accounts during the year.

Rajinder
Sales account

Date	Details	\$	Date	Details	\$
			2018		
			June 30	Total to date	13 500

AM Limited account

Date	Details	\$	Date	Details	\$
			2018		
			July 1	Balance b/d	250
			14	Purchases	440

[5]

- (d) Prepare the discount allowed account for the year ended 31 July 2018. The total discount allowed up to 30 June 2018 was \$178. Close the account on 31 July 2018 by making a transfer to an appropriate account.

Rajinder
Discount allowed account

Date	Details	\$	Date	Details	\$

[3]
[Total: 19]

J14/11

- 2 (a) Yuri keeps a full set of accounting records. Name the ledger in which each of the following accounts is found.

Account	Ledger
Insurance	
Sales	
Purchases	
Lottie, a credit supplier	
Matthew, a credit customer	
Capital	

[6]

- (b) Yuri maintains a sales journal, a sales returns journal, a purchases journal and a purchases returns journal. Name one other book of prime entry which he may maintain.

.....[1]

- (c) State why it is useful for a business to maintain a sales journal.

.....
[2]

On 1 April Susan and Elinor owe Yuri \$260 and \$120 respectively. Yuri's sales journal and sales returns journal for the month showed the following.

Sales journal		
		\$
April 4	Susan	600
16	Elinor	320
		920

Sales returns journal		
		\$
April 12	Susan	105
17	Elinor	46
		151

REQUIRED

(d) Prepare the following ledger accounts for the month of April. Balance the accounts where necessary and bring down the balances on 1 May.

Elinor account

Date	Details	\$	Date	Details	\$

Sales account

Date	Details	\$	Date	Details	\$

Sales returns account

Date	Details	\$	Date	Details	\$

[8]

On 8 April Susan paid the amount she owed on 1 April, after taking 5% cash discount.

REQUIRED

(e) Calculate the amount which Yuri received from Susan.

.....
[2]

Yuri employs a book-keeper to maintain the accounts of his credit customers.

REQUIRED

(f) Name the account which Yuri prepares to check for fraud or error in the book-keeper's work.

.....[1]
 [Total: 20]

J14/12

3 (a) (i) Name one ledger account which might be found in the nominal (general) ledger.

.....[1]

(ii) Name one other type of ledger which a business might maintain.

.....[1]

(iii) Explain why dividing the ledger into sections makes it easier to use.

.....

[2]

N14/12

3(b) Complete the following table, naming **one** source document from which **each** book of prime entry is completed.

Book of prime entry	Source document
Sales journal	
Purchases journal	
Sales returns journal	
Purchases returns journal	
Petty cash book	
Cash book	

[6]

(c) State one advantage of using a book of prime entry.

.....
[2]

A sales journal for July shows the following.

July		\$
2	Amber Retail	100
10	Business Supplies	65
18	Custom Print	<u>22</u>
31	Total	<u>187</u>

REQUIRED

(a) Complete the following table, showing how these transactions are recorded in the ledger accounts.

Account(s) to be debited	\$	Account(s) to be credited	\$

[4]

N14/12

5(b) Complete the table below, naming the book of prime entry which provided the following information.

	Book of prime entry
Credit sales	
Returns of credit purchases	
Receipts from credit customers	
Bad debts written off	
Interest charged on overdue accounts	

[5]

N14/13

2 (a) Give the name of each document described below.

1 a document sent to a customer with details of goods supplied on credit

.....

2 a document informing a supplier of overcharges or shortages

.....

3 a summary of a customer's transactions for a month

.....[3]

(b) (i) State on which side of the cash book discount allowed appears.

.....

(ii) Name which type of discount this is.

.....

(iii) Explain why this discount is given.

.....[3]

Vikram maintains a cash book with columns for bank and cash.

The following transactions take place.

- 1 Vikram sells goods, \$300, on credit to Hal
- 2 Hal pays the debt in full in cash
- 3 Vikram pays \$250 of the cash into the bank
- 4 Vikram writes a cheque for \$400 for his own use
- 5 \$600 is received from Mabel, a debtor, by credit transfer

REQUIRED

(c) Complete the table below showing how these transactions are recorded in Vikram's books. The first has been completed as an example.

	Debit entry		Credit entry	
		\$		\$
1	<i>Hal account</i>	<i>300</i>	<i>Sales account</i>	<i>300</i>
2				
3				
4				
5				

[8]

(d) State which transaction in (c) is known as a contra.

.....[1]

A cash book (bank column) had a debit balance of \$620 on 1 September 2014. The bank statement at that date showed a credit balance of \$660. The differences were identified as follows.

- 1 A cheque for \$100 had not been presented at the bank.
- 2 Bank charges of \$10 were not included in the cash book.
- 3 The bank had made an error by making a payment of \$50 to a supplier twice.

REQUIRED

(e) Calculate the value of bank which should appear in the statement of financial position on 1 September 2014.

.....

[4]

(f) Name the section of the statement of financial position in which the bank balance would appear.

.....[1]

(g) Name one other item which might appear in this section.

.....[1]

[Total: 21]

J15/12

2(d) Complete the following table. State in which ledger each account would appear and on which side of the trial balance the account would be shown. The first account has been completed as an example.

	Ledger	Trial balance
<i>Insurance</i>	<i>Nominal / General</i>	<i>Debit</i>
Drawings		
Sales		
Grant (a credit customer)		
Aziz (a credit supplier)		
Provision for depreciation of van		

[10]

(e) State one reason why accounts are maintained in different ledgers.

.....
[1]

(f) Explain what is meant by the term trial balance.

.....
[1]

(g) State one reason why a trial balance is prepared.

.....
 [1]

(h) Name the account which is opened when a trial balance fails to agree.

.....
 [1]

(i) Name and explain two errors which do not affect the balancing of a trial balance.

Error 1

Name

Explanation

Error 2

Name

Explanation

..... [4]

J15/12

3 Farhad and Ali are traders. On 1 January 2015 Farhad owed Ali \$300. The following transactions took place.

5 January Ali sold goods, \$250, to Farhad.

8 January Farhad returned half of the goods bought on 5 January.

19 January Farhad paid the amount owed on 1 January, by cheque, having deducted 3% cash discount.

REQUIRED

(a) Prepare Farhad's account in the books of Ali. Balance the account and bring down the balance on 1 February 2015.

Ali
Farhad account

Date	Details	\$	Date	Details	\$

[6]

- (b) Complete the following table. Name the document sent by Ali to Farhad on 5 January and on 8 January and state his reason for sending each document.

	Document	Reason
5 January		
8 January		

[4]

- (c) Complete the following table. Name the book of prime (original) entry in which Ali would record the transactions listed.

	Book of prime (original) entry
Ali sold goods, \$250, to Farhad.	
Farhad returned half of the goods bought on 5 January.	
Farhad paid the amount owed on 1 January having deducted 3% cash discount.	

[3]

J15/13

- 3 (a)** Name two books of prime (original) entry which a trader may keep. In each case name a source document for that book. An example has been provided.

Book of prime (original) entry	Source document
Cash book	Cheque counterfoil

[4]

- (b) State one reason why a trader might use books of prime (original) entry.

.....
 [1]

- (c) Name the two accounts which are posted with the totals from a three column cash book.

1
 2 [2]

Abdoulaye received a cheque from Pierre which was subsequently dishonoured.

REQUIRED

- (d) State what is meant by a dishonoured cheque.

..... [1]

(e) State how Abdoulaye recorded the dishonouring of the cheque.

Account debited	Account credited

[2]

(f) Name the statement prepared by Abdoulaye to ensure that his bank account is free from error.

.....[1]

Abdoulaye has a bank overdraft.

REQUIRED

(g) Explain what is meant by a bank overdraft.

.....

[2]

(h) Complete the following table using a tick (✓) to indicate whether Abdoulaye’s cash book and his bank statement have a debit or a credit balance.

	Debit balance	Credit balance
Cash book		
Bank statement		

[2]

Abdoulaye withdrew \$200 from the bank for personal use.

REQUIRED

(i) State how this is recorded in the books of account.

Debit balance	Credit balance

[2]

[Total: 17]

N15/12

2 (a) State what is meant by a book of prime (original) entry.

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

(b) Name two of the books of prime (original) entry which a business may maintain.

1
2[2]

N15/13

2 (a) State the purpose of each of the following business documents.

debit note
.....

credit note
.....

statement of account
.....[3]

(b) State **one** reason why a trader's ledger might be divided into different sections.

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

(c) Complete the following table, naming the ledger in which **each** account appears. The first one has been completed as an example.

Account	Ledger
Delivery van	<i>Nominal/general</i>
Sales	
Susan, a credit customer	
Carriage inwards	
Drawings	
Adam, a credit supplier	

[5]

(d) Name the section of a statement of financial position in which inventory is recorded.

.....[1]

- (e) State how Ivy would record the purchase of goods for resale on credit from Alice.

Account debited	Account credited

[2]

- (f) Indicate with a tick (✓) in which account cash discount is recorded in the books of **both** Ivy and Alice.

	Discount allowed	Discount received
in the books of Ivy		
in the books of Alice		

[2]

- (g) Name the business document issued by Alice on which the cash discount is recorded.

.....[1]

N15/13

- 5 Elliott started a business selling machinery on 1 May 2015. He opened a business bank account with \$12 000 of his own money and transferred his own vehicle to be retained and used in the business at a valuation of \$1 800.

He provided the following summary of the transactions in the first month of trading.

Paid \$3 000 by standing order for three months' rent.

Bought 6 machines at \$300 each and 8 machines at \$400 each, paying by credit transfer.

Sold 5 of the cheaper machines for \$450 each in cash.

Sold 6 of the more expensive machines for \$700 each receiving the funds by cheque.

Withdrew \$3 600 from the bank as drawings.

Paid sundry expenses, \$150, in cash.

Paid cash, \$2 000, into the bank.

Used, but did not pay for, electricity, \$80.

REQUIRED

- (a) Prepare Elliott's cash book for May 2015. Balance the cash book and bring down the balances on 1 June 2015. The cash book is on the opposite page. [11]

Dilip is a trader. He sells goods to James, a credit customer.

REQUIRED

(b) Complete the following table indicating with a tick (✓) who would issue **each** document.

	Dilip	James
Invoice		
credit note		
debit note		

[3]

(c) Name the book of prime (original) entry where **each** trader would record a credit note.

Dilip
 James[2]

(d) State when **each** of the following documents is usually sent.

Invoice
 Credit note
 Statement of account[3]

On 1 March 2016 James owed Dilip \$300. During March the following transactions took place.

- March 3 James paid, by cheque, the balance owing less 3% cash discount.
- 6 James bought on credit goods, list price \$620, after taking 20% trade discount.
- 13 James returned goods, list price \$180.

REQUIRED

(e) Prepare James's account in the books of Dilip for the month of March 2016. Balance the account and bring down the balance on 1 April 2016.

Dilip
James account

Date	Details	\$	Date	Details	\$

[7]

- (f) State where James's account would be included in Dilip's statement of financial position. Name the item and the section.

Item
 Section[2]

- (g) State why James was entitled to cash discount.

.....
[1]

[Total: 22]

J16/12

- 2 (a) State the accounting equation.

.....[1]

Saeed is a trader. He took cash from the business for his own use.

REQUIRED

- (b) State how the taking of the cash was recorded in Saeed's books of account.

account debited	account credited

[2]

- (c) State whether this transaction increased or decreased Saeed's capital.

.....[1]

- (d) Name **one** form (other than in cash or from the bank) in which a business owner might take drawings.

.....[1]

- (e) State how capital employed is calculated.

.....[1]

- (f) State what is meant by the term book-keeping.

.....
[1]

- (g) State **one** advantage of maintaining books of prime (original) entry.

.....
[1]

- (h) Complete the following table naming **one** source document for **each** book of prime (original) entry. The first has been completed as an example.

book of prime (original) entry	source document
cash book	<i>cheque counterfoil</i>
sales journal	
sales returns journal	
purchases journal	
petty cash book	

[4]

- (i) State **one** transaction recorded in the general journal.

.....[1]

- (j) Name the accounting principle applied when the double entry system of book-keeping is used.

.....[1]

[Total: 14]

J16/21

2 Sue's cash book for the month of April 2016 was as follows.

Sue
Cash Book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2016		\$	\$	\$	2016		\$	\$	\$
Apr.1	Balance b/d		120		Apr.1	Balance b/d			3 842
9	Bank loan			3 000	9	J Foy (cheque Dishonoured)			116
19	A Meyer	8		392	14	K Mzolo	15		585
28	Sales		1 940		21	Repairs		58	
29	Cash			2 000	24	Bank charges			211
					29	Bank		2 000	

REQUIRED

- (g)(i) State the significance of **each** of the balances on 1 April 2016.

Balance in cash column

.....

Balance in bank column

.....[2]

- (ii) Suggest **two** possible reasons why the cheque from J Foy was dishonoured on 9 April.

1

2[2]

(iii) State whether Sue allowed or received the discount on 14 April.

.....[1]

(iv) Calculate the percentage the discount on 14 April represents correct to **two** decimal places.

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

(v) Explain the entries on 29 April.

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

(vi) State whether the total of the discount column on the debit side of the cash book is debited or credited to the discount account on 30 April.

.....[1]

(vii) Calculate the balances which would appear in the cash book on 1 May 2016. State whether they would be debit or credit balances.

Balance in cash column on 1 May	\$.....
Type of balance (debit or credit)
Balance in bank column on 1 May	\$.....
Type of balance (debit or credit)

[2]

N16/12

2 (e) State **one** reason why a trader's ledger might be divided into different sections.

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

- (f) Complete the following table, naming the ledger in which **each** account appears. The first one has been completed as an example.

Account	Ledger
Insurance	<i>Nominal/general</i>
Sales	
Discount allowed	
Philip, a credit customer	
Purchases	
Amit, a credit supplier	

[5]

- (g) State **one** reason why **each** type of discount may be given.

- (i) Trade discount

.....
 [1]

- (ii) Cash discount

.....
 [1]

- (h) Name the type of discount which is recorded in the books of account.

..... [1]

Karen is a retailer of car parts. She took goods for her own use. She also transferred her computer to the business.

REQUIRED

- (i) State how these transactions were recorded in Karen's books of account of the business.

	debit entry	credit entry
Goods taken		
Computer transferred		

[4]

- (j) Name the accounting principle Karen applied in recording these transactions.

..... [1]

- (k) Name **two** interested parties who might wish to look at Karen's business financial statements. In **each** case give a reason why they might be interested.

	Interested party	Reason
1		
2		

[4]

- (l) State the meaning of the accounting objective of relevance.

.....
 [1]

N16/13

- 2 (d) State **one** reason why a business uses books of prime (original) entry.

.....
 [1]

- (e) Name **two** books of prime (original) entry which a business may maintain. In **each** case name a source document which would be recorded in that book.

	book of prime (original) entry	source document
1		
2		

[4]

- (f) State the difference between a trading business and a service business.

.....

 [3]

- (g) Complete the following table. Indicate with a tick (✓) whether **each** item can appear in the financial statements of a trading business, a service business, or both.

	trading business only	service business only	both
cost of sales			
gross profit			
discount allowed			
profit for the year			

[4]

J17/11

2 Andy sells furniture on credit. Fred is a credit customer.

REQUIRED

(g) Complete the following invoice.

Fred Shop Road Toptown		Andy Factory Street Toptown	Invoice no 1001
			22 May 2017
Quantity	Details	Unit price	Amount \$
20	Standard chair	\$50
10	Luxury chair	
			1 750
	10% trade discount	
		

[5]

(h) State which value from the invoice is recorded in Fred's account.

\$.....

[1]

(i) Name the document Andy issues if Fred returns any chairs.

.....

[1]

(j) State the difference between Andy's business and a service business.

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

[2]

J17/11

3 Zameer has a financial year end of 28 February.

He extracted the following ledger balances from his books of account on 21 February 2017.

	\$
Purchases	67 210 debit
Rent payable	6 600 debit

REQUIRED

(a) State why the purchases account has a debit balance.

..... [1]

Zameer's purchases journal for the week ended 28 February 2017 was as follows:

Zameer
Purchases Journal

Date	Name	\$
Feb 22	Qasim	500
25	Farid	270
27	Qasim	190
		960

Zameer's cash book recorded a payment, \$1 800, made on 25 February by credit transfer. This payment was for rent for the three months ending 30 April 2017.

REQUIRED

(b) Name the type of book of which the cash book and the purchases journal are examples.

..... [1]

(c) Prepare the following ledger accounts in the books of Zameer. Balance the accounts and where necessary show any balance brought down on 1 March 2017.

Zameer
Purchases account

Date	Details	\$	Date	Details	\$

Rent payable account

Date	Details	\$	Date	Details	\$

[8]

(d) State whether Zameer’s payments were capital expenditure or revenue expenditure.

Purchases

Rent

[2]

(e) (i) Give **one** example of a revenue receipt.

.....

(ii) Give **one** example of a capital receipt.

.....

[2]

[Total: 14]

J17/12

2 Arundhati maintains a sales ledger, a purchases ledger and a nominal (general) ledger.

REQUIRED

(d) State **one** reason why Arundhati maintains these three divisions of her ledger.

.....

.....

[1]

(e) (i) State which type of accounts are maintained in the sales ledger and purchases ledger.

Sales ledger

Purchases ledger

[2]

(ii) Give **one** example of an account which might be found in the nominal (general) ledger.

.....

[1]

(f) Name **two** books of prime (original) entry which Arundhati may keep.

1

2

[2]

(g) State whether the following sentence is true or false.

	true or false
The recording of financial transactions is called accounting.	

[1]

J17/12

3 Pich sold goods, \$5 000, on credit to Roger.

REQUIRED

(a) State the double entry needed to record this transaction

(i) in the books of Pich

debit account	\$	credit account	\$

[2]

(ii) in the books of Roger.

debit account	\$	credit account	\$

[2]

(b) Name the document issued when this transaction took place and the person who issued it.

Document

Issued by [2]

Roger paid by credit transfer, taking 2½% cash discount, on 1 April 2017.

REQUIRED

(c) State the double entry needed to record the transaction on 1 April 2017 in Pich's books of account.

debit account (s)	\$	credit account (s)	\$

[3]

(d) (i) Name the account in which this discount was recorded in Roger's books.

..... [1]

(ii) Name the financial statement in which Roger would record this discount.

..... [1]

(e) Complete the following sentences.

A is issued by the supplier when goods are returned.

A may be issued by the customer when goods are returned. [2]

J17/21

2 Harum is a trader. All goods are bought and sold on credit terms. On 1 March 2017 Kalgi, a credit customer, owed Harum \$520.

The following took place during March 2017.

March 4 Harum sold goods on credit to Kalgi, list price \$280, less 20% trade discount 10 Kalgi paid the balance due on 1 March by cheque

12 Kalgi returned goods, list price \$120, purchased on 4 March

18 The bank returned Kalgi's cheque received on 10 March because of insufficient funds in his account.

28 Kalgi paid \$600 in cash

30 Harum wrote off the balance on Kalgi's account

REQUIRED

(a) Name the source document which Harum would use to record the following:

Date		Document
March 4	Sold goods on credit to Kalgi	
12	Kalgi returned goods	

[2]

(b) Name the book of prime (original) entry in which Harum would record the following:

Date		Book of prime (original) entry
March 18	The bank returned Kalgi's cheque	
30	The balance of Kalgi's account was written off	

[2]

(c) Write up the account of Kalgi as it would appear in the ledger of Harum for the month of March 2017.

Harum
Kalgi account

Date	Details	\$	Date	Details	\$

[6]

N17/11

2 Jake manufactures CD players. He has a credit customer, Rashida. They have exchanged an invoice, a debit note, a credit note and a statement of account.

REQUIRED

(f) Complete the following table for the documents exchanged between Jake and Rashida. The first item has been completed as an example.

document	reason for issue	name of person issuing document
invoice	<i>to record goods sold on credit</i>	<i>Jake</i>
debit note		
credit note		
statement of account		

[6]

N17/12

3 (a) State **one** reason why a trader maintains books of prime entry.

.....
[1]

(b) Name the book of prime entry which also functions as a ledger account.

.....[1]

Jason is a trader. His financial year ends on 31 May. On 1 May 2017 his ledger included the following balances.

	\$
Purchases	19 620
Purchases returns	850

Jason's purchases journal and purchases returns journal for the month of May 2017 were as follows.

Purchases journal		\$
2017		
May 2	Asnee	400
5	Botan	610
7	Chaitali	388
19	Asnee	190
24	Dae	<u>517</u>
		<u>2 105</u>

Purchases returns journal		\$
2017		
May 4	Asnee	105
15	Chaitali	<u>55</u>
		<u>160</u>

REQUIRED

- (c) Complete the following table, naming the source document used by Jason on **each** date, and the person who issued the document.

Date	Source document	Issued by
May 2		
May 4		

[4]

- (d) Prepare the following ledger accounts in the books of Jason for the month of May 2017. Show the transfers to the income statement.

Jason
Purchases account

Date	Details	\$	Date	Details	\$

[3]

Purchases returns account

Date	Details	\$	Date	Details	\$

[3]

Jason owed Asnee \$480 on 1 May 2017. He paid this balance by cheque on 6 May after deducting 2½% discount.

REQUIRED

- (e) Prepare Asnee's account in Jason's purchases ledger for the month of May 2017. Include entries for the relevant transactions recorded in Jason's journals.

Jason
Asnee account

Date	Details	\$	Date	Details	\$

[7]

J18/11

- 4 Harry is a trader in farm machinery. He maintains a full set of accounting records. His financial year ends on 31 March.

Harry made the following entries in his purchases journal and purchases returns journal in March 2018.

Harry Purchases Journal			
2018		\$	\$
March 15	AX Limited		
	Goods	3 250	
	Less Trade discount	<u>650</u>	2 600
24	FM Limited		
	Goods	1 820	
	Less Trade discount	<u>273</u>	<u>1 547</u>
31	Total for month		<u>4 147</u>
Purchases Returns Journal			
2018		\$	\$
March 17	AX Limited		
	Goods	450	
	Less Trade discount	<u>90</u>	360
28	FM Limited		
	Goods	200	
	Less Trade discount	<u>30</u>	<u>170</u>
31	Total for month		<u>530</u>

Harry made the following payments by cheque.

2018

- March 4 AX Limited, \$2 425, in full settlement of the amount due on that date.
 30 FM Limited to settle the amount due on that date. No cash discount was received.

REQUIRED

- (a) Enter the transactions for March in the following ledger accounts. Close the accounts on 31 March 2018 by balancing or by making a transfer to the income statement. Some entries have already been made in the accounts during the year.

Harry
AX Limited account

Date	Details	\$	Date	Details	\$
			2018		
			Mar.1	Balance b/d	2 500

FM Limited account

Date	Details	\$	Date	Details	\$
			2018		
			Mar.1	Balance b/d	750

Purchases account

Date	Details	\$	Date	Details	\$
2018					
Feb.28	Total to date	43 000			

Purchases returns account

Date	Details	\$	Date	Details	\$
			2018		
			Feb.28	Total to date	5 020

[12]

- (b) (i) Suggest **one** reason why AX Limited allowed Harry trade discount on his purchases on 15 March 2018.

.....
[1]

- (ii) Calculate the percentage of trade discount AX Limited allowed Harry on his purchases on 15 March 2018.

.....
[1]

- (c) Name the following documents:

- (i) the document issued by AX Limited on 15 March 2018

.....[1]

(ii) the document issued by Harry on 17 March 2018

.....[1]

(iii) the document which AX Limited may issue on 31 March 2018

.....[1]

[Total: 17]

J18/12

2 Mary keeps a full set of accounting records including books of prime (original) entry.

REQUIRED

(a) State **two** reasons why Mary uses books of prime (original) entry.

- 1
-
- 2
-[2]

On 1 November 2017 the balance in Mary's cash book (bank columns) was \$838 overdrawn. Mary banks all cash sales at the end of each week.

Mary had the following transactions during November.

- 1 Sold goods, \$220, for cash
- 2 Returned goods costing \$440, bought on credit from Jane
- 3 Purchased a motor vehicle on credit, \$12 400, including road tax of \$300, from Speedy Motors
- 4 Received a cheque from Tan, a credit customer, in settlement of an invoice for \$400 after deduction of 2% cash discount
- 5 Took goods for own use, \$120

REQUIRED

(b) Name the book of prime (original) entry where **each** of the transactions 1, 2 and 3 would be recorded.

- 1
- 2
- 3[3]

(c) Complete the following table to show how **each** transaction was recorded by Mary. The first one has been completed as an example.

	Account(s) debited	\$	Account(s) credited	\$
1	Cash	220	Sales	220
2				
3				
4				
5				

[10]

(d) Calculate the bank balance at 30 November 2017.

.....
.....
.....
.....
.....[3]

(e) Name the ledger in which Mary maintains:

(i) Tan's account

.....[1]

(ii) Motor vehicles account

.....[1]

[Total: 20]

J18/21

1 Lydia allows her credit customers a cash discount of 2% if accounts are settled within 30 days. From 1 June 2018 Lydia is proposing to offer a cash discount of 3% if accounts are settled within 21 days.

REQUIRED

(e) Discuss how this proposal could affect Lydia's:

(i) future liquidity

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

(ii) future profit for the year.

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

J18/21

- 3 Masuma owns a furniture store. She maintains a full set of accounting records. Her financial year ends on 31 March.

Masuma provided the following information at 31 March 2018.

- 1 On 1 April 2017 Amina, a credit customer, owed \$160. On 1 March 2018 she paid 75% of this and the balance was written off as a irrecoverable debt.
- 2 On 4 January 2018 additional fixtures and fittings, \$2 000, were purchased on credit from Office Traders, but this transaction was not recorded.
- 3 The fixtures and fittings are depreciated at the rate of 20% per annum on the cost of equipment held at the end of each financial year.
- 4 On 31 March 2018 the discount columns in the cash book showed the following totals for the month:

discount column on debit side \$55
discount column on credit side \$68

These totals had not been transferred to the discount accounts in the ledger.

REQUIRED

- (a) Record this information in the following accounts in Masuma's ledger at 31 March 2018. Some entries have already been made in the accounts during the year. Close all the accounts by balancing or by making a transfer to an appropriate account.

Masuma
Amina account

Date	Details	\$	Date	Details	\$
2017					
April 1	Balance b/d	160			

Irrecoverable debts account

Date	Details	\$	Date	Details	\$
2018					
Feb.28	Total written off	135			

Fixtures and fittings account

Date	Details	\$	Date	Details	\$
2017					
April 1	Balance b/d	4 000			

Provision for depreciation of fixtures and fittings account

Date	Details	\$	Date	Details	\$
			2017		
			April 1	Balance b/d	1 600

Discount allowed account

Date	Details	\$	Date	Details	\$
2018					
Feb.28	Total to date	3 590			

Discount received account

Date	Details	\$	Date	Details	\$
			2018		
			Feb.28	Total to date	4 130

[12]

N18/12

3 Saul prepared the following trial balance at 31 March 2018 which contains errors.

	\$	\$
Motor vehicle at net book value	38 000	
Revenue	109 000	
Purchases		80 230
Inventory		5 100
Bank overdraft	13 900	
Cash in hand	1 500	
Drawings		6 500
Discount allowed		720
Other operating expenses	9 350	
Wages and salaries	16 500	
Capital		35 000
Difference		60 700
	188 250	188 250

REQUIRED

(a) Prepare a corrected trial balance at 31 March 2018.

Saul
Corrected Trial Balance at 31 March 2018

	\$	\$
Motor vehicle at net book value		
Revenue		
Purchases		
Inventory		
Bank overdraft		
Cash in hand		
Drawings		
Discount allowed		
Other operating expenses		
Wages and salaries		
Capital		
Difference		

[7]

From 1 April 2018, Saul decided to make sales and purchases on credit.

He maintains a full set of accounting records and prepares control accounts at the end of each month.

REQUIRED

(b) State what is meant by a 'book of prime (original) entry'.

.....
 [1]

(c) Complete the table to name the book of prime (original) entry which Saul uses to obtain information when preparing his control accounts. The first one has been completed as an example.

	Book of prime (original) entry
Purchases	<i>Purchases Journal</i>
Cash and cheques received from credit customers	
Irrecoverable debts written off	
Discount received from credit suppliers	
Sales returns	
Interest charged by credit suppliers	

[5]

J19/21

2 Jade is a customer of Adil. On 1 April 2019 Jade owed Adil \$440. They exchanged the following documents in April 2019.

2019

- April 4 Cheque to settle account less 2½% cash discount
- 12 Invoice for goods, \$560, less 25% trade discount
- 17 Debit note relating to some goods supplied on 12 April, list price \$120
- 20 Credit note relating to some goods supplied on 12 April, list price \$100
- 30 Statement of account

REQUIRED

(a) Name the person who issued **each** of the following documents. In **each** case suggest **one** reason for the issue of that document.

(i) Debit note 17 April

Name of person issuing the document

Reason for the issue of the document

.....

..... [2]

(ii) Credit note 20 April

Name of person issuing the document

Reason for the issue of the document

.....

..... [2]

(iii) Statement of account 30 April

Name of person issuing the document

Reason for the issue of the document

.....

.....

[2]

- (b) Prepare the account of Adil as it would appear in the books of Jade for April 2019. Balance the account and bring down the balance on 1 May 2019.**

Jade
Adil account

Date	Details	\$	Date	Details	\$

[6]

J19/22

- 1** Annabel purchases goods on credit from Ed. They exchanged various business documents during April 2019.

REQUIRED

- (b)** Name the person who issued **each** of the following documents.

Document	Person issuing the document
Invoice	
debit note	
credit note	
statement of account	

[4]

- (c)** Explain the difference between a debit note and a credit note.

.....

.....

.....

.....

.....

.....

.....

.....

.....

[4]

(d) State **one** purpose of issuing a statement of account.

.....

[1]

N19/21

1 Sophie employs a book-keeper to maintain her accounting records. The book-keeper was taken ill and was unable to complete the accounting records for August 2019.

The entries the book-keeper made in the cash book for August 2019 are shown.

The following transactions took place on 31 August 2019.

- 1 Received a cheque from Jason to settle his debt of \$550 after deducting 2% cash discount.
- 2 Paid a cheque to Ellie for \$858 to settle her account after deducting 2½% cash discount.

Sophie received her bank statement for August and compared it with her cash book.

The following items appeared on the bank statement but had not been recorded in Sophie's accounting records.

	\$
Bank charges	53
Cheque received from Jack on 17 August dishonoured	156
Payment of insurance by direct debit	50
A credit customer, Bella, had paid her account by credit transfer	260

REQUIRED

(a) Complete Sophie's cash book. Balance the cash book and bring down the balances on 1 September 2019. [9]

Sophie
Cash Book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2019		\$	\$	\$	2019		\$	\$	\$
Aug.1	Balance b/d		250		Aug.1	Balance b/d			4 010
17	Jack			156	2	Petty cash		94	
24	Sales		3 820		30	Bank		2 000	
29	Capital			5 000					
30	Cash			2 000					

Sophie's ledger is divided into three: the sales ledger, the purchases ledger and the nominal (general) ledger.

REQUIRED

(g)(i) Identify **one** transaction recorded in Sophie's cash book which would also be recorded in the sales ledger.

..... [1]

(ii) Identify **one** transaction recorded in Sophie's cash book which would also be recorded in the purchases ledger.

..... [1]

(iii) Identify **two** transactions recorded in Sophie's cash book which would also be recorded in the nominal (general) ledger.

1

2 [2]

N19/22

1 Tebogo is a trader. His financial year ends on 31 August.

Tebogo maintains a full set of accounting records. He sells goods on credit terms.

On 1 August 2019 Kayla, a credit customer, owed \$900.

The following transactions took place in August 2019.

- August 6 Sold goods on credit to Kayla, list price \$1400, less a trade discount of 20%
- 12 Kayla returned some of the goods purchased on 6 August, list price \$300
- 18 Sold goods on credit to Nyack, \$620
- 24 Nyack returned one quarter of the goods purchased on 18 August
- 29 Received a cheque from Kayla in settlement of the balance due on 1 August, less 2% cash discount
- 30 Sold goods on credit to Kayla, \$160

REQUIRED

(a) Prepare the sales journal and the sales returns journal for August 2019. Total each journal and indicate the ledger account to which the total would be transferred.

Tebogo
Sales Journal

Date	Details	\$	\$

Sales Returns Journal

Date	Details	\$	\$

[5]

- (b) Prepare the following accounts in Tebogo's ledger for the month of August 2019. Close the accounts by balancing or by making a transfer to the income statement. [8]

Tebogo
Kayla account

Date	Details	\$	Date	Details	\$
2019					
Aug 1	Balance b/d	900			

Sales account

Date	Details	\$	Date	Details	\$
			2019		
			Aug 1	Total sales to date	21 400

Sales returns account

Date	Details	\$	Date	Details	\$
2019					
Aug 1	Total returns to date	1 560			

Tebogo allows his credit customers a 2% cash discount if they settle their accounts within 30 days. From 1 September 2019 Tebogo decided to reduce the credit period to 21 days and reduce the percentage of cash discount to 1%.

REQUIRED

(c) (i) Suggest, giving a reason, **one** possible effect this decision may have on the profit for the year ending 31 August 2020.

.....

 [2]

(ii) Suggest, giving a reason, **one** possible effect this decision may have on the liquidity for the year ending 31 August 2020.

.....

 [2]

[Total: 17]

J20

1 Bilal is a trader. He buys goods on credit and for cash. He sells goods on a cash basis only.

The following transactions took place in April 2020.

- April 4 Bought goods on credit from Milly, list price \$320, subject to a trade discount of 20%
- 5 Bought goods on credit from EHL Limited, \$500
- 6 Bought stationery, \$145, paying by cheque
- 8 Cash sales, \$280, were paid immediately into Bilal's bank account
- 10 Paid \$128 cash to Milly
- 12 Cash sales, \$110
- 13 Bought goods on credit, \$250, from Todd who offers 4% cash discount for payments made within 14 days
- 17 Bought office equipment, \$500, paying by bank transfer
- 21 Paid by cheque for the goods purchased from Todd on 13 April after deducting the cash discount
- 24 Paid \$485 to EHL Limited by telephone transfer, having deducted 3% cash discount
- 28 Sold old office equipment for \$50 cash

REQUIRED

(a) Prepare the purchases journal for April 2020. Total the journal and indicate the ledger account to which the total would be posted.

Bilal
Purchases journal

Date	Details	\$	\$

[4]

(b) Complete Bilal’s cash book. Balance the cash book and bring down the balances on 1 May 2020.

Bilal
Cash Book

Date	Details	Disc. Allo.	Cash	Bank	Date	Details	Disc. Rec.	Cash	Bank
2020		\$	\$	\$	2020		\$	\$	\$
Apr.1	Balance b/d		160	1 960	Apr.				

[12]

- 1 Sariah owns a business selling ladies' clothing. She maintains a system of double entry bookkeeping.

The following occurred during September 2020.

- 1 Purchased a motor vehicle on credit from Sharpe Motors \$6 350.
- 2 Ruhee, a credit customer, was declared bankrupt owing Sariah \$1200. The debt is to be written off.

REQUIRED

- (a) Prepare journal entries to record the above transactions. Narratives are **not** required.

Sariah
Journal

Details	Debit \$	Credit \$

[4]

N20

- 1 Dev owns a business selling furniture.

The following transactions took place during August 2020.

Transaction	Date	Details	\$
1	August 9	Sold goods on credit to Petra	675
2	14	Petra returned damaged goods to Dev	120
3	23	Banked cash sales	412
4	29	Petra settled her outstanding balance at 1 August by credit transfer after taking a cash discount of 5%	

On 1 August 2020, the balance on credit customer Petra's sales ledger account was \$940 debit.

REQUIRED

- (a) Complete the table to name **each** business document **and** book of prime entry for the following transactions in Dev's accounting records.

Transaction	Business document	Book of prime entry
2		
3		
4		

[6]

- (b) Prepare the account of Petra for August 2020 as it would appear in Dev’s sales ledger. Balance the account and bring down the balance on 1 September 2020.

Dev
Petra account

Date	Details	\$	Date	Details	\$
2020			2020		

[6]

- (c) Identify the section of Dev’s statement of financial position at 31 August 2020 in which the balance on Petra’s account would appear.

..... [1]

Dev allows his credit customers a cash discount of 5% for prompt payment. He is considering reducing this to 2%.

REQUIRED

- (d) State **one** advantage and **one** disadvantage to Dev of this proposal.

.....

 [2]

Ahsan Zairi, TCS, PAF Chapter

J21/21

1 Rahat is a trader.

The following transactions took place in March 2021.

- March 3 Cash sales, \$580, were paid directly into Rahat’s business bank account
- 6 Paid insurance, \$360, by direct debit
- 9 Paid \$196 to GH Limited by telephone transfer, having deducted 2% cash discount from the amount due
- 13 Paid \$75 cash for stationery
- 17 Cash sales, \$140
- 27 Sold old office equipment to Burgess, who paid \$50 by cheque in full settlement
- 30 Paid \$340 to Colin by cheque in full settlement of a debt of \$350

REQUIRED

(a) Complete Rahat’s cash book. Balance the cash book and bring down the balances on 1 April 2021.

Rahat
Cash Book

Date	Details	Disc. Allo.	Cash	Bank	Date	Details	Disc. Rec.	Cash	Bank
2021		\$	\$	\$	2021		\$	\$	\$
Mar.1	Balance b/d		150		Mar.1	Balance b/d			1 980

[11]

Rahat is concerned about the level of her bank overdraft. She is considering applying for a bank loan. This would enable her to pay off her bank overdraft **and** to purchase new office furniture.

REQUIRED

- (c) Advise Rahat whether she should apply for the bank loan. Justify your answer by providing **two** advantages and **two** disadvantages.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [5]

Ahsan Zarif, TCS, PAF Chapter