

Centre Number	Candidate Number	Candidate Name
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NAMIBIA SENIOR SECONDARY CERTIFICATE

ACCOUNTING ORDINARY LEVEL

6143/1

PAPER 1

2 hours

Marks 100

2022

Additional Materials: Non-programmable calculator

INSTRUCTIONS AND INFORMATION TO CANDIDATES

- Candidates answer on the Question Paper in the spaces provided.
- Write your Centre Number, Candidate Number and Name in the spaces at the top of this page and on all separate answer sheets used.
- Write in dark blue or black pen.
- You may use a soft pencil for any rough work, diagrams or graphs.
- Do not use correction fluid.
- Do not write in the margin *For Examiner's Use*.
- You may use blank pages for calculations/when answers are crossed out and corrected.
- Answer **all** questions.
- The number of marks is given in brackets [] at the end of each question or part question.
- You may use a non-programmable calculator.
- Where layouts are to be completed, you may not need all the lines for your answer.
- The businesses mentioned in this question paper are entirely fictitious.

<i>For Examiner's Use</i>	
1	
2	
3	
4	
5	
Total	
<i>Marker</i>	
<i>Checker</i>	

This document consists of **18** printed pages and **2** blank pages.



Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

1 (a) Name **two** applications of computers as a tool for communication technology.

1.....

2.....

[2]

(b) State the rule of double entry.

.....

.....

[1]

(c) Name the **three** specialist areas into which the ledger is divided.

1.....

2.....

3.....

[3]

(d) Define *books of first entry*.

.....

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[2]

(e) Explain the use of document numbers in books of first entry.

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.....

[2]

(f) (i) Use the following information to complete the source document shown below.

21 September 2022. Received a debit card payment from R Rap, in payment of his account of N\$460,00.

.....	No: 401
	<i>21 September 2022</i>
Received from:	
Amount:	
.....	N\$
cash <input style="width: 40px; height: 20px;" type="checkbox"/>	<i>S Clavinova</i>
debit card <input style="width: 40px; height: 20px;" type="checkbox"/>	S Clavinova

[4]

(ii) Explain the use of the source document completed.

.....

.....

[1]

(g) Explain the dual function of the cash book as a book of first entry and as a ledger account for cash and bank.

.....

.....

.....

[2]

A cash book (bank column) had a debit balance brought forward of N\$8 200 on 1 September 2022. The bank statement at that date showed a credit balance of N\$5 280.

The differences were identified as follows.

A payment by electronic fund transfer (EFT) for N\$780 had not been recorded by the bank.

Bank charges of N\$1 200 were not included in the cash book.

The bank made an error and paid a supplier N\$2 500 twice.

REQUIRED

(h) (i) Calculate the bank balance which should appear in the statement of financial position on 31 August 2022.

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.....

[2]

(ii) Name the section in the statement of financial position on 31 August 2022 in which the bank balance would appear.

.....
.....

[1]

(iii) Name **one** other item which might appear in this section of the statement of financial position on 31 August 2022.

.....
.....

[1]

(i) State the meaning of **each** of the following terms.

(i) Pre-adjustment trial balance

.....
.....

[1]

(ii) Post adjustment trial balance

.....
.....

[1]

(iii) Post-closing balance

.....
.....

[1]

[24]

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Question 2 on page 6

2 Ruby Traders deposit all money received daily and all payments are made by debit card.

(a) Suggest **two** reasons why it is important for Ruby Traders to check invoices against delivery notes and purchase orders.

1.....

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2.....

.....

[2]

(b) State **two** reasons why Ruby Traders returned inventory to their credit suppliers.

1.....

.....

2.....

.....

[2]

The balances in the books of Ruby Traders included the following

	N\$
<u>Debtors</u>	
C Chameleon	2 150
E Elephant	8 000
<u>Creditors</u>	
W Whale	2 500
S Snake	10 000

Transactions for August 2022

3 Bought inventory from W Whale for N\$15 400 and received 15% trade discount (invoice was renumbered to no 41).

5 Sold inventory on credit to:
 C Chameleon N\$2 200 (invoice no 20)
 L Lion N\$600

7 Bought inventory for N\$7 920 and stationery for N\$2 530 from S Snake on credit.

10 Issued an invoice to E Elephant for inventory bought, N\$10 200.

16 Returned inventory, N\$1 320, to S Snake and received credit note, renumbered no 9.

19 The following inventory was returned:
 L Lion N\$1 000 (credit note 11)
 E Elephant N\$1 200

23 Purchased a new vehicle from W Warthog for N\$355 000 on credit. Charged E Elephant N\$150 interest on his overdue account.

- 26 E Elephant settled N\$15 000 of the amount owed by a debit card payment after deducting 5% cash discount.
- 27 Paid N\$2 350 to W Whale in settlement of the amount owing on 1 August 2022.
- 29 S Snake sent notification that he had charged N\$100 interest on overdue account.

REQUIRED

(c) Prepare the following books of first entry. It is **not** necessary to total the books at the month-end.

(i) The debtors journal.

Ruby Traders
Debtors Journal – August 2022 DJ7

Invoice	Day	Details	Fol	Amount
				N\$

[3]

(ii) The debtors returns journal.

Ruby Traders
Debtors Returns Journal – August 2022 DRJ7

Credit note	Day	Details	Fol	Amount
				N\$

[2]

(iii) The creditors journal.

Ruby Traders
Creditors Journal – August 2022 CJ7

Invoice	Day	Details	Fol	Amount
				N\$

[2]

(iv) The creditors returns journal.

Ruby Traders
Creditors Returns Journal – August 2022 CRJ7

Debit note	Day	Details	Fol	Amount
				N\$

[1]

(d) Draw up the following ledger accounts.

Debtors Ledger of Ruby Traders

E Elephant

Date	Day	Details	Fol	Debit	Credit	Balance
				N\$	N\$	N\$

[5]

Creditors Ledger of Ruby Traders

W Whale

Date	Day	Details	Fol	Debit	Credit	Balance
				N\$	N\$	N\$

[3]

Ruby Traders issue statements monthly to their credit customers.

REQUIRED

(e) (i) State why Ruby Traders would issue statements of accounts.

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.....
.....

[1]

(ii) State why Ruby Traders do not enter statements of accounts in their ledger.

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.....

[1]

[22]

3 Romeo is a sole trader. His financial year ends on 31 August.

Romeo writes off bad debts as they occur each year and also maintain a provision for doubtful debts.

(a) State the meaning of **each** of the following terms.

(i) *bad debts*

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.....

[1]

(ii) *bad debts recovered*

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.....

[1]

(iii) *provision for doubtful debts*

.....
.....

[1]

Romeo provided the following information.

	N\$
Provision for doubtful debts (1 September 2021)	2 650
Debts written off during the year	5 750
Debtors at 31 August 2022	53 500

Additional information

1. A credit customer, Juliet, was declared bankrupt. 50c in the dollar on the outstanding account of N\$1 200 was received and the rest was to be written off as bad debt. Romeo had not recorded this in his accounting records.
2. No entry had been made to record N\$880 received by debit card from William whose account was written off the previous financial year.
3. Romeo maintains his provision for doubtful debts at 5% of debtors at the end of each financial year.

REQUIRED

(b) (i) Calculate the provision for doubtful debts required at the end of the financial year on 31 August 2022.

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[2]

- (ii) Calculate the difference between opening and closing provision for doubtful debts and state whether the provision has increased or decreased.

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[2]

- (c) Complete the table by stating the account to be debited and the account to be credited for **each** of the items.

	Item	Account debited	Account credited
(i)	The balance of Juliet's account was written off.		
(ii)	Payment was received from William after his account was written off.		
(iii)	The change in the provision for doubtful debts account was transferred to the final accounts.		
(iv)	A closing transfer was made for the bad debts account.		

[8]

- (d) Prepare an extract from Romeo's statement of financial position on 31 August 2022 to show the entry for debtors and provision for doubtful debts.

Romeo

Extract from Statement of Financial Position at 31 August 2022

[3]

[18]

4 Denzil opened a retail store on 1 October 2021.

He made purchases on both cash and credit terms.

Money for goods sold was received by electronic bank transfers (EFTs).
No credit sales were made.

Denzil did not maintain many accounting records but was able to provide the following information.

	N\$
On 1 October 2021	
Capital introduced into the business bank account	130 000
During the year ending 30 September 2022	
Purchase of non-current assets by EFT	59 400
EFTs paid to credit suppliers	43 150
Discount received	2 950
Returns to credit suppliers	1 670
Cash paid into bank from shop sales	148 500
Withdrawals from bank for cash purchases	22 675
Expenses paid	?
On 30 September 2022	
Amount owing to credit suppliers	63 180
Expenses accrued	2 500
Cash at bank	116 040

Additional information

1. Denzil did not value his inventory on 30 September 2022.
2. All goods are sold at a gross profit margin of 25%.
3. Non-current assets are to be depreciated at the rate of 10% using the straight line method.

REQUIRED

- (a) (i) Calculate the purchases for the year ended 30 September 2022.
Show your calculations.

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[3]

- (ii) Prepare the bank account for the year ended 30 September 2022.
Insert the missing figure which represents the expenses paid during the year.

Bank Account

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[4]

(b) Prepare the following final accounts of Denzil for the year ended 30 September 2022.

(i) Trading account for the year ended 30 September 2022.

Trading Account

[4]

(ii) Profit and loss account for the year ended 30 September 2022.

Profit and Loss Account

[5]
[16]

- 5 The financial year of Desert Trading ends on 30 September. The following balances appeared in its books at 30 September 2022.

	N\$
Capital	428 169
Drawings	40 000
Land and buildings	310 000
Equipment	80 000
Provision for depreciation on equipment	30 000
Inventory	29 169
Debtors	106 000
Bank (dr.)	26 000
Cash float	1 000
Fixed deposit: Savana Bank	60 000
Creditors	144 000
Mortgage loan: Mountain Bank	50 000

Additional information

1. The capital account balance on 30 September 2022 includes the net profit for the year of N\$45 000.
2. The sales for 2022 were N\$340 000 and the cost of sales was N\$237 320.

REQUIRED

- (a) Calculate the following ratios for the year ended 30 September 2022. Your answers should be correct to **two** decimal places. Write your answers in the table on page 18.

Calculations

*For
Examiner's
Use*

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for the student to perform calculations.

		31 September 2021	30 September 2022	
(i)	The gross profit margin	28,50 %	[3]
(ii)	The net profit margin	14,29 %	[2]
(iii)	The return on capital employed	8,13 %	[3]

(b) Suggest **two** reasons for the change in the percentage of gross profit margin.

1.....
.....

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

(c) State the year in which Desert Trading had a better control of its expenses. Give a reason for your answer.

Year ended 30 September

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

(d) Suggest **two** ways in which the percentage of net profit margin could be improved.

1.....
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2.....
..... [2]

(e) Suggest **two** reasons for the change in the return on capital employed.

1.....
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2.....
..... [2]

(f) (i) Calculate the working capital on 30 September 2022.

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[3]

(ii) Suggest **one** way in which the working capital could be improved.

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[1]

[20]

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