

Centre Number	Candidate Number	Candidate Name
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NAMIBIA SENIOR SECONDARY CERTIFICATE

ACCOUNTING ORDINARY LEVEL

4345/1

PAPER 1

1 hour 30 minutes

Marks 100

2018

Additional Material: 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.

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

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



Republic of Namibia
MINISTRY OF EDUCATION, ARTS AND CULTURE

1 (a) Name **two** books of first entry.

1.....

2.....

[2]

(b) Explain what is meant by the term bad debts.

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[2]

(c) Name the ledger accounts Bucks Stores would use to record a credit sale to D Watch.

(i) Account debited

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[1]

(ii) Account credited

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[1]

(d) Explain what is meant by the term accrued expenses.

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[2]

(e) Name **one** cause of depreciation.

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[1]

(f) Name the account which shows the division of the net profit/net loss of a partnership business.

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[1]

(g) Identify which errors are being described below.

(i) A cheque, N\$1 200 paid to C Toto has been entered in C Tata's account.

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[1]

(ii) The electricity account has been undercast by N\$400.

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[1]

(h) Frank provided the following information about inventory held at the end of his financial year.

Product	Units held	Cost per unit	Selling and distribution cost per unit	Selling Price per unit
		N\$	N\$	N\$
Pencils	180	3,50	0,70	5,20
Erasers	90	1,20	0,40	1,30
Pens	150	8,00	1,00	7,00

Using the information provided, calculate the **total** value of the inventory of **each** type of product.

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[6]

(i) State what is meant by a creditor (trade payable).

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[1]

(j) Willem's business bought goods on credit from Erari Traders. Willem later returned some of the goods because they were damaged.

(i) Name the document Willem sent to Erari Traders when the goods were returned.

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[1]

(ii) Name the financial statement in which the return of the goods must be recorded at the end of the year.

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[1]

(iii) State the effect the omission of the return of the goods will have on Willem's profit for the year.

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[1]

(k) State **one** reason why a business may allow trade discount.

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[1]

(l) State the accounting equation.

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[1]

(m) State **two** factors that affect the value of goodwill.

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

(n) Name the equivalent terms used by a non-profit organisation for **each** of the following.

(i) Capital

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[1]

(ii) Net profit (Profit for the year)

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[1]

For the financial year ended 30 September 2018, a business' rates account showed the following.

	N\$
1 October 2017 Balance brought down (cr)	3 000
Rates paid during the financial period	15 000
30 September 2018 rates not yet paid	2 000

REQUIRED

(o) Calculate the amount for rates to be transferred to the profit and loss account (Income Statement) for the year ended 30 September 2018. Show your calculations.

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[3]

[31]

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Question 2 on page 6

- 2 Jane Gobabis maintains a full set of books of first entry and prepares a debtors (trade receivables) control account and a creditors (trade payables) control account at the end of each month.

On 1 May 2018 the balances on the control accounts

	N\$	
Debtors (Trade receivables)	9 600	dr
Creditors (Trade payables)	7 400	cr
Creditors (Trade payables)	1 600	dr

The cash book for May 2018 showed

	N\$
Cheques received from debtors (trade receivables) banked	49 190
Cheques paid to creditors (trade payables)	38 300
Cheques received from creditors (trade payables)	1 600
Discount allowed	1 110
Discount received	1 180

Total of the journals for May 2018 were

	N\$
Debtors (Trade receivables) Journal	51 500
Creditors (Trade payables) Journal	41 190
Debtors (Trade receivables) Returns Journal	2 700
Creditors (Trade payables) Returns Journal	1 350

General Journal entry for May 2018 were

	N\$
Bad debts written off	174

REQUIRED

- (a) Select the relevant figures and prepare the debtors (trade receivables) control account and the creditors (trade payables) control account. Balance the accounts and bring down the balances on 1 June 2018.

(i) **Debtors (Trade Receivables) Control Account**

[7]

(ii) **Creditors (Trade Payables) Control Account**

[8]

- (b) State **two** reasons why Jane Gobabis allows cash discount to her credit customers.

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2.....

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[2]

[17]

3 Aranos Aminius maintains a debtors journal.

(a) Suggest **three** reasons why it is useful to maintain a full set of books of first entry.

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- 2
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- 3
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[3]

J Jansen is a credit customer of Aranos Aminuis. On 1 August 2018 J Jansen's account in the ledger of Aranos Aminuis showed a credit balance of N\$20. The transactions for Aranos Aminius for August 2018 included the following.

August 2018

- 2 Issued an invoice to J Jansen, N\$2 400 for five boxes of sugar.
- 7 J Jansen returned one box of sugar, because it was damaged.
- 15 J Jansen paid his outstanding balance and received 5% discount.

REQUIRED

(b) Record the transactions in J Jansen's account in the debtors ledger.

(i) J Jansen

**Aranos Aminius
Debtors Ledger
J Jansen Account**

[5]

(ii) Explain **two** reasons for a credit balance on a debtor's account.

- 1
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- 2
-

[4]

Aranos Aminius maintains a provision for doubtful debts at 3% of debtors (trade receivables).

On 31 August 2018, the balances in his books included the following.

	N\$
Bad debts written off	1 300
Debtors (Trade receivables)	20 400

On 31 August 2018, Aranos Aminius decided to write off N\$800 owed by A Kalahari.

REQUIRED

(c) (i) Calculate the amount of the provision for doubtful debts on 31 August 2018. Show your calculations.

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[3]

(ii) Explain how Aranos Aminius is applying **each** of the following accounting principles by maintaining a provision for doubtful debts.

1 Consistency

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[2]

2 Matching

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[2]

(d) State the difference between a bad debt and a provision for doubtful debts.

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[2]

[21]

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Question 4 on page 12

- 4 Kamutuua is a sole trader. Kamutuua's balance sheet (statement of financial position) is shown below with some words and figures missing.

Kamutuua
Balance Sheet (Statement of Financial Position) at 30 April 2018

	N\$	N\$		N\$
Fixed (Non-current) Assets			Owner's Equity	
			Capital (1 May 2017)	110 000
Vehicle at cost	100 000		Plus Net profit (Profit for the year)	(iv)
				118 500
Less Provision for depreciation	(i)	90 000	Less (v)	4 500
				114 000
(ii)			Current (vi)	
Assets			Creditors (Trade payables)	8 000
Stock (Inventory)	20 000			
Debtors (Trade receivables)	5 000			
Bank	(iii)	32 000		
		122 000		122 000

REQUIRED

(a) Enter the missing words or figures in boxes (i) to (vi). [6]

(b) Calculate the following ratios to **two** decimal places.

(i) Current ratio

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..... [2]

(ii) Quick ratio

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..... [2]

(c) Comment on Kamutuua's quick ratio.

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[2]

[12]

- 5 Jan Usakos is a sole trader who does not operate a full double entry accounting system. However, he was able to provide the following information at the end of the second year of trading on 31 May 2018.

	At 1 June 2017	At 31 May 2018
	N\$	N\$
Fixtures and fittings at cost	120 000	140 000
Vehicles at cost	35 000	41 000
Creditors (Trade payables)	15 000	14 000
Stock (Inventory)	1 000	5 000
Debtors (Trade receivables)	25 500	31 000
Cash at bank	11 500	0
Bank overdraft	-	12 000

Additional information

Jan has not yet charged any depreciation on his vehicles at 31 May 2017 and 31 May 2018.

Jan uses the straight-line method at 10% per annum to calculate depreciation on vehicles.

During the year ended 31 May 2018

- total payments to creditors N\$48 500 after receiving 3% discount.
- total receipts from debtors N\$90 000 excluding discount of N\$2 500.

Jan's percentage of expenses (excluding depreciation) to sales is 20%.

REQUIRED

- (a) Calculate Jan Usakos' capital on 1 June 2017.

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[6]

(b) Calculate Jan Usakos' sales and purchases for the year to 31 May 2018.
Show your calculations.

(i) Sales

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[3]

(ii) Purchases

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[4]

