

Centre Number	Candidate Number	Candidate Name
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**NAMIBIA SENIOR SECONDARY CERTIFICATE**

**ACCOUNTING ORDINARY LEVEL**

**4345/2**

PAPER 2

2 hours

Marks 100

**2017**

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.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>Total</b>	
<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 Thando Bruce is a sole trader whose financial period ends on 31 August. The totals of his trial balance on 31 August 2017 did not agree and the difference was placed in a suspense account.

After the preparation of the draft final accounts (financial statements) the following errors were discovered.

- 1. Water and electricity paid, N\$5 250, was correctly entered in the cash book but had been entered in the water and electricity account as N\$5 520.
- 2. N\$470 received from Lucy Phiri had been credited to the account of Luca Pharo.
- 3. Repairs to vehicles, N\$3 600, had been entered in the vehicles account.
- 4. A cheque of N\$675 paid to Santeri, a credit supplier, was entered on the wrong side of the bank account. The correct entry was made in Santeri's account.

**REQUIRED**

- (a) Prepare the journal entries to correct the above errors. Narratives **must** be shown.

Thando Bruce  
General Journal – August 2017

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(b) Select **one** of the errors **1 – 4** (from page 2) which has not been corrected by an entry in the suspense account. Identify the error that was made and explain why an entry in the suspense account **was not** necessary.

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[3]

(c) Explain how **each** of the following could also assist in the location of errors.

(i) Bank reconciliation statement

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(ii) Control accounts

.....  
.....

[4]

[19]

**2** John Hidipo owns a retail shop. His financial year ends on 30 September.  
 John lets part of his building to Kenneth Jo at an annual rent of N\$18 000.  
 On 1 October 2016 Kenneth paid two months' rent by cheque.

On 1 December 2016 John Hidipo received a cheque for N\$9 000 for rent to 31 May 2017.

On 1 June 2017 John Hidipo received a further cheque for N\$7 500 for rent to 31 October 2017.

**REQUIRED**

**(a)** Write up the rent received account as it would appear in John Hidipo's ledger for the year ended 30 September 2017. Bring down the balance on 1 October 2017.

Rent received account

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[7]

**(b)** State the section of the balance sheet (statement of financial position) prepared on 30 September 2017 in which the balance of the rent received account would appear.

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[1]

John's rates amount to N\$2 400 per month.

On 1 October 2016 John Hidipo owed one month's rates.

He paid the outstanding amount in cash on 15 October 2016.

John paid rates, N\$36 000, by cheque on 2 January 2017.

**REQUIRED**

- (c) Write up the rates account as it would appear in John Hidipo's ledger account for the year ended 30 September 2017. Bring down the balance on 1 October 2017.

Rates account

[6]

John charged the total rates he had paid during the year to the profit and loss account (income statement) for the year ended 30 September 2017.

**REQUIRED**

- (d) Complete the table by placing a tick (✓) in the appropriate column to show how this would have affected the net profit (profit for the year).

Effect on net profit (Profit for the year)	
Overstated	Understated

[1]

[15]

- 3 Bean and Bag are in partnership. Their partnership included the following terms.
1. Interest on capital is allowed at 5% per annum.
  2. Interest on drawings at the rate of 10% is charged on the total annual drawings.
  3. Bag is to receive a salary of N\$90 000 per annum.
  4. Profits and losses are to be shared in proportion to the balances of their capital accounts on the last day of the financial period.

**REQUIRED**

(a) State **four** benefits of a partnership business over a sole trading business.

- 1.....
- .....
- 2.....
- .....
- 3.....
- .....
- 4.....
- .....

[4]

On 1 October 2016 the balances on the partners' capital and current accounts were as follows.

	Capital account	Current account	
	N\$	N\$	
Bean	750 000	2 450	debit
Bag	250 000	1 500	credit

Bean increased his capital to N\$1 000 000 on 1 July 2017.

During the year ended 30 September 2017 the partners made the following drawings.

Bean	N\$26 400
Bag	N\$13 600

The net profit (profit for the year) of the partnership for the year ended 30 September 2017 was N\$244 000.

**REQUIRED**

- (b) Prepare the profit and loss appropriation account for the partnership for the year ended 30 September 2017.

Bean and Bag  
Profit and Loss Appropriation Account for the year ended  
30 September 2017

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[11]

- (c) Prepare the partners' current accounts for the year ended 30 September 2017.  
Balance the accounts and bring down the balance on 1 October 2017.

Current accounts

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[9]  
**[24]**



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Question 4 is on page 10

- 4 Jimmy Hill is a trader who does not maintain a full set of double entry accounting records. All purchases and sales are made on credit terms.  
Jimmy Hill provided the following information.

	N\$
<b>At 1 August 2016</b>	
Amounts owing by customers	18 300
Amounts owing to suppliers	16 320
 <b>During the year ended 31 July 2017</b>	
Cheques received from customers	86 400
Cheques paid to suppliers	54 350
Discounts received	1 480
Discounts allowed	2 300
Bad debts written off	2 600
 <b>At 31 July 2017</b>	
Amounts owing by customers	23 400
Amounts owing to suppliers	12 400

**REQUIRED**

- (a) Suggest **two** advantages of maintaining accounting records using the double entry method.

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2 .....

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[2]

**(b)** Calculate Jimmy's credit sales and credit purchases for the year ended 31 July 2017.

**(i)** Credit sales

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**(ii)** Credit purchases

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[5]

Jimmy was unsure of the value of the stock (inventory) at the start of the financial year on 1 August 2016. The stock (inventory) on 31 July 2017 was valued at N\$12 600. Jimmy has a profit margin of 40%.

**REQUIRED**

(c) Prepare the trading account (income statement) of Jimmy Hill for the year ended 31 July 2017 to show the value of the opening stock (inventory).

Jimmy Hill

Trading Account (Income Statement) for the year ended 31 July 2017

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Question 5 is on page 14

- 5 The summarised bank account of Rundu Golf Club for the year ended 30 June 2017 was as follows.

## Summarised Bank Account

	N\$		N\$
Balance (1 July 2016)	9 000	Maintenance	1 500
Subscriptions from members	8 600	New golf equipment	10 700
Donations	2 000	Open-day expenses	3 200
Disposal of golf equipment (net book value N\$2 000)	1 250	Internet charges and stationery	430
Receipts from open day	4 550	Wages of groundkeeper	2 800
		Sundry expenses	1 800

**Additional information**

	30 June 2016	30 June 2017
	N\$	N\$
Subscriptions received in advance	400	800
Subscriptions in arrears	200	-
Sundry expenses prepaid	-	250
Golf equipment at net book value	2 000	10 165
Clubhouse at cost	80 000	80 000

New golf equipment, N\$10 700, was bought on 1 January 2017.

Golf equipment, which had a net bookvalue of N\$2 000 on 1 July 2016 was sold on 1 January 2017.

Depreciation on equipment is charged at 10% per annum on equipment using the reducing balance method on a month-to-month basis.

**REQUIRED**

(a) Prepare the income and expenditure account for the year ended 30 June 2017.

Rundu Golf Club

Income and Expenditure Account for the year ended 30 June 2017

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