

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

2020

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	
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3	
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Total	
Marker	
Checker	

This document consists of **15** printed pages and **5** blank pages.



Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

- 1 (a) In which book of prime entry should discount allowed and discount received be recorded?

..... [1]

- (b) Name the final account to which the balance of carriage inwards account is transferred.

..... [1]

- (c) Place a tick (✓) in the correct column to indicate each item is an asset or a liability.

	Asset	Liability
(i) Income received in advance		
(ii) Bank overdraft		
(iii) Prepaid expenses		
(iv) Fixed deposit: Mbambi Bank		

[4]

- (d) On 31 July 2020 the bank balance shown on a trader's cash book was N\$6 400. This differed from the balance on the bank statement because amounts not yet credited of N\$1 200.

- (i) Calculate the balance shown on the trader's bank statement on 31 July 2020. Show your workings.

.....

[2]

- (ii) State the amount that would be entered for "Bank" under current assets in the trader's balance sheet (statement of financial position) as at 31 July 2020.

.....

[1]

- (iii) Explain the meaning of the term *unpresented cheque*.

.....

[2]

(e) State **two** factors that affect the value of goodwill of a business.

1.....
.....

2.....
.....

[2]

(f) State how a net loss affects a sole trader's capital.

.....

[1]

(g) State the meaning of the following terms.

(i) close corporation

.....
.....

[1]

(ii) members' contribution

.....
.....

[1]

(iii) retained profit

.....
.....

[1]

(h) State what is meant by the following terms.

(i) work in progress

.....
.....

[1]

(ii) prime cost

.....
.....

[1]

(i) What is the result when the expenses of a business exceed its income?

.....
.....

[1]

- (j) For the financial year ended 30 September 2020, a business's insurance account showed the following.

	N\$
1 October 2019 Balance brought down (dr.)	4 000
1 January 2020 Paid premium for 12 months to 31 December 2020	24 000

Calculate the insurance amount charged to the profit and loss account for the year ended 30 September 2020. Show your workings.

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.....

[3]

- (k) Stock (Inventory) is always valued at the lower ofand

.....

[2]

[25]

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Question 2 on page 6

- 2 R Mate is a sole trader who buys and sells electrical goods.

REQUIRED

- (a) (i) State **two** reasons why R Mate uses a creditors journal.

1

.....

2

.....

[2]

- (ii) Name the source document used by R Mate for making entries in the creditors journal.

.....

[1]

R Mate's transactions in June 2020 included the following.

- 3 Credit purchases of goods from Phillip Stores, N\$9 500.
6 Purchased a second-hand vehicle from JM Motors on credit, N\$92 000.
22 Bought goods on credit from Eldo Traders, N\$15 600 less 15% trade discount.

REQUIRED

- (b) Prepare the creditors journal of R Mate. Total the journal.

Creditors Journal of R Mate – June 2020

Day	Details	Fol	Amount
			N\$

[3]

R Mate provided the following extracts from the books of first entry for June 2020.

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Use

Creditors Returns Journal of R Mate – June 2020

Day	Details	Fol	Amount
			N\$
18	Phillip Stores		380
21	Eldo Traders		166

General Journal of R Mate – June 2020

Day	Details	Fol	Debit	Credit
			N\$	N\$
25	Interest paid		134	
	Phillip Stores			134
	Interest charged on overdue account			
27	Equipment		6 200	
	Purchases			6 200
	Equipment incorrectly entered as purchases			

Additional information

On 30 June 2020 R Mate issued a cheque to Phillip Stores in full payment of goods bought on credit on 3 June 2020 and received 5% discount.

REQUIRED

- (c) Write up the account of Phillip Stores as it would appear in R Mate's creditors ledger for the month of June 2020.

Creditors Ledger of R Mate

Phillip Stores

Day	Details	Fol	Debit	Credit	Balance
			N\$	N\$	N\$
2020					
June 1	Balance	b/d			5 360

[6]

- (d) Prepare the following accounts as they would appear in the general ledger of R Mate for the month June 2020. Balance the purchases account and bring the balance down on 1 July 2020.

(i) Purchases Account

[3]

(ii) Purchases Returns Account

[1]

[16]

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Question 3 on page 10

- 3 M Ndjoze started a business on 1 August 2019. On that day she introduced the following into the business:

Stock (inventory) N\$16 400, equipment N\$10 000, and cash N\$20 600, of which N\$400 was kept on hand for petty cash and the balance, N\$20 200, was paid into the business's bank account.

On the same day her cousin, June, paid N\$40 000 into the business bank account as a loan to the business repayable after ten years.

REQUIRED

- (a) Prepare the opening journal entry to record these transactions.

M Ndjoze General Journal – August 2019

Date	Details	Debit	Credit
		N\$	N\$

[6]

M Ndjoze decided to keep her petty cash book on the imprest system which is restored on the last day of each month.

Transactions for July 2020 were as follows.

		N\$
July	1 Petty cash in hand	?
	3 Paid cleaner's wages, voucher no. 101	50
	5 Bought envelopes, voucher no. 102	38
	8 Paid for postage of parcel, voucher no. 103	60
	12 Bought pens and pencils, voucher no. 104	43
	15 Paid wages, voucher no. 105	50
	20 Bought copy paper, voucher no. 106	85
	25 Paid for owner's personal travelling transport, voucher no. 107	30
	31 Received amount from chief cashier to restore the imprest amount	?

REQUIRED

- (b) Enter the above transactions in the petty cash book. Balance the book and bring down the balance on 1 August 2020.

[10]

[Turn over

Apart from the petty cash, the following balances were extracted from M Ndjoze's books as at 31 July 2020.

	N\$
Vehicles	64 000
Equipment	40 000
Debtors (Trade receivables)	13 500
Creditors (Trade payables)	9 400
Bank (dr)	7 500
Stock (Inventory)	8 600
Income received in advance	2 400
Capital	86 800
Loan: June	35 000

(c) (i) State what is meant with working capital.

.....

.....

[1]

(ii) Prepare an extract from M Ndjoze's balance sheet (statement of financial position) as at 31 July 2020 to show the working capital.

M Ndjoze
Extract from Balance Sheet (Statement of Financial Position)
as at 31 July 2020

[4]

[21]

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Question 4 on page 14

- Their partnership agreement provides that

- The balances on the books at 30 September 2020 after the preparation of the profit and loss account included the following.

Additional information

On 1 April 2020 Chris made a loan of N\$100 000 to the partnership.

REQUIRED

- (a)** Prepare the appropriation account for the year ended 30 September 2020.

Chris and Becca

Appropriation Account for the year ended 30 September 2020

[illegible]

[7]

- (b) Prepare the partners' current accounts for the year ended 30 September 2020. Balance the accounts and bring down the balances on 1 October 2020.

Current Accounts

	Chris	Becca		Chris	Becca
	N\$	N\$		N\$	N\$

[9]

- (c) (i) State why Chris and Becca are charged interest on drawings.

.....

.....

[1]

- (ii) State **one** possible reason why Becca receives a salary in addition to her share of partnership profits.

.....

.....

[1]

[18]

- 5 The following information was extracted from the books of Mary Tjizu, a hardware trader, as at 30 September 2020.

	N\$
Sales (Revenue)	160 000
Gross Profit	40 000
Opening Stock (Inventory)	28 000
Closing Stock (Inventory)	32 000
Total Expenses	24 000
Debtors (Trade receivables)	6 800
Bank (dr)	1 200
Creditors (Trade payables)	12 000

REQUIRED

- (a) Calculate the following profitability ratios of Mary Tjizu.

- (i) Gross profit as a percentage of sales (revenue)

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.....

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.....

[2]

- (ii) Net profit as a percentage of sales (revenue)

.....

.....

.....

.....

[2]

Mary Tjizu obtained Shapaka Traders' profitability ratios and wishes to know how her business compared to Shapaka Traders' similar business.

	Shapaka Traders
Gross profit as a percentage of sales (revenue)	28%
Net profit as a percentage of sales (revenue)	9%

(b) State which business has the better ratio. Give **one** reason for **each** answer in **each** case.

(i) Gross profit as a percentage of sales (revenue)

Business with the better ratio

Reason

.....

..... [2]

(ii) Net profit as a percentage of sales (revenue)

Business with the better ratio

Reason

.....

..... [2]

(c) Calculate the following ratios for Mary Tjizu. The answers should be correct to two decimal places. Comment on your answer to **each** ratio.

(i) Current ratio

.....

.....

.....

..... [3]

Comment

.....

..... [1]

(ii) Quick (Acid test) ratio

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..... [3]

Comment

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..... [1]

(iii) Rate of stock (inventory) turnover

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[3]

Comment

.....

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[1]

[20]

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