



Index Number:

NATIONAL CERTIFICATE OF EDUCATION

2023

BUSINESS AND ENTREPRENEURSHIP EDUCATION (N560)

SECTION B: ACCOUNTING

**TOTAL TIME FOR
SECTION A AND SECTION B: 2 HOURS**

Candidates answer on the Question Paper.
Additional Materials: Calculator and Ruler

INSTRUCTIONS TO CANDIDATES

This paper consists of two sections:

Section A: Business / Enterprise / Economics and Section B: Accounting.

You should ensure that you have received the booklets for both Section A and Section B.

Instructions for Section B

You are advised to spend **45 minutes** on Section B.

1. Write your index number in the space provided above.
2. Answer **ALL** questions.
3. Write in dark blue or black ink. Do not use correction fluid.
4. This section consists of **3** questions printed on **8** pages, numbered **2** to **9**.
5. The number of marks for each question is given in brackets ().
6. The total marks for Section B is **35**.

For Examiners' use					
Question No.	6	7	8	Total	Signature
Examiner					
Team Leader					
CE/ACE					

Section B: Accounting**Answer ALL questions (35 Marks)****Question 6A (5 marks)****Circle the correct answer. Each item carries one mark.**

1. Money needed to start a business is called
 - A** revenue
 - B** capital
 - C** rent
 - D** drawing

2. Which of the following refers to the costs incurred for the day-to-day running of a business?
 - A** Expenses
 - B** Revenue
 - C** Interest
 - D** Wages

3. Cash accounts record only transactions.
 - A** bank
 - B** cash
 - C** credit
 - D** revenue

4. Which one of the following is a **current asset**?

- A** Machinery
- B** Motor van
- C** Furniture
- D** Trade receivable

5. How is **Cash Sales** recorded?

A	Debit Cash	Credit Sales
B	Debit Sales	Credit Cash
C	Debit Purchases	Credit Cash
D	Debit Cash	Credit Purchases

Question 6B (5 marks)

Match each term to its correct description / definition. Write your answers in the answer grid below. An example is given.

	Term		Description / Definition
1	Profit for the year	A	What the business owns.
2	Trade payables	B	Goods in stock.
3	Inventory	C	Amounts due to credit suppliers.
4	Bank Transaction	D	Items held by the business for the day to day activities.
5	Assets	E	A transaction where a cheque is paid or received.
6	Current Liabilities	F	Profit left in an enterprise after expenses are paid.
		G	Debts payable within one year.

Answer grid

Term	1	2	3	4	5	6
Description / Definition	F					

Question 6C (4 marks)

In the sentences below, fill in the blanks with the correct term(s).

An example is given.

balance c/d	expense	account
trading account	drawings	credit transaction

Example: The **balance c/d** of an account is the difference between the total of the debit entries and the total of the credit entries.

1. An is a record of the financial transactions of a business.
2. A is prepared to calculate the gross profit or the gross loss of the enterprise.
3. The cash withdrawn from the business by the owner for personal use is called
4. A is a business transaction that is paid at a later date.

Question 6D (4 marks)

For each transaction in the table below, state which account should be **debited** and which account should be **credited**.

The first transaction has been done for you.

Date 2023	Transaction	Account to be debited	Account to be credited
September 1	Paid rent by cheque Rs 240	Rent	Bank
September 12	Purchased goods on credit from Sanna Company for Rs 9 400		
September 15	Paid advertising by cash Rs 120		

Question 7 (7 marks)

Ali Khan is a trader dealing in motor vehicle spare parts.

Balance as at 1 August 2023:

Cash Account Rs 640

Bank Account Rs 8 400 (Dr)

Table 1 shows the transactions which occurred during the month of August 2023.

Table 1: Transactions for the month of August 2023

Date August 2023	Transaction	Amount Rs
5	Received commission by cheque	120
12	Sold goods on credit to Rajesh and Sons	2 260
19	Bought goods for cash	400
22	Purchased furniture on credit from Rico Furniture Supplies	2 600
24	Sold goods for cash	1 900
27	Received cash from Rajesh and Sons	1 200
31	Paid wages by cheque	610

- (a) Using the appropriate items from **Table 1**, prepare a **Bank Account** and balance it off on 31 August 2023.

Dr			BANK ACCOUNT			Cr		
Date 2023	Details	Amount Rs	Date 2023	Details	Amount Rs			
Aug 1	Balance b/d	8 400						

[3]

- (b) Choose the appropriate items from **Table 1** and make the relevant entries in the **Cash Account**.

Dr			CASH ACCOUNT			Cr		
Date 2023	Details	Amount Rs	Date 2023	Details	Amount Rs			
Aug 1	Balance b/d	640						

[3]

- (c) What does a **debit balance** in the **Bank Account** represent?

.....

[1]

Question 8 (10 marks)

The following balances are taken from the Books of Ken and Sons, dealer in ladies' garments, on 30 September 2023.

Table 2: Information for the year ended 30 September 2023

	Rs
Revenue (sales)	22 700
Rent and Rates	430
Interest received	120
Wages	270
Advertising	220
Purchases	12 300
Commission received	230
Opening Inventory	1 160
Closing Inventory	3 800

Using the information in **Table 2**, complete the **Income Statement** for the year ended 30 September 2023.

Calculate the gross profit and the profit for the year.

Ken and Sons

Income Statement for the year ended 30 September 2023

	Rs	Rs
Revenue		22 700
Less: Cost of sales		
Opening inventory	1160	
Add:	
Less: Closing inventory	
Less: Cost of sales	
Gross Profit	
Add: Other incomes		
Interest received		120
Commission received	
Less: Expenses		
Rent and rates	430	
.....	
.....	
	
Profit for the year	

[8]

(b) State any **two** items of the **statement of financial position**.

1.
2.

[2]

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