

High School Olympiad

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ACCOUNTING

GRADE 10

Olympiad Paper

Round One

Marks: 30

Time: 1 hour

Date: 12 May 2021



Instructions

1. Complete questions on the ANSWER SHEET provided.
2. Complete all information on the ANSWER SHEET.
3. The ANSWER SHEET consist of 4 sections. Please select the correct section/subject.
4. There are 4 possible answers per question (A B C D)
Only one answer is correct.
Colour a circle completely.
5. Good luck!

PROVERTO EMS OLYMPIAD 2021 – GRAAD 10

ACCOUNTING

ROUND 1

ACCOUNTING AND GAAP PRINCIPLES

- The _____ principle of accounting is the idea that all transactions should be included in the periods during which they actually take place, rather than when cash flow associated with them occurs.

 - A matching / accrual
 - B prudence / conservatism
 - C consistency
 - D going concern
- The principle of _____ refers to the idea that all liabilities and expenses should be recorded as soon as possible, while assets and revenues should only be recorded when an accountant is certain they will occur.

 - A matching / accrual
 - B prudence / conservatism
 - C consistency
 - D going concern
- The _____ principle entails that the recorded amounts for equity investments, assets and liabilities should not be adjusted for improvements, market value or inflation.

 - A economic entity
 - B double entry
 - C full disclosure
 - D historic cost
- According to the _____ principle, credit sales are recorded when sales take place and not when the customer pays the invoice.

 - A full disclosure
 - B monetary unit
 - C time period
 - D matching / accrual
- Which one of the following is an example of the business entity principle?

 - A Fixed assets must be shown at their original values.
 - B Market conditions, technological changes and the efficiency of management would not be disclosed in the accounts.
 - C Any payments for the owner's personal expenses by the business will be treated as drawings and reduce the owner's capital contribution in the business.
 - D A provision for doubtful debts should be made.

6. A business writes off the cost of small-valued assets such as pencil sharpeners, wastepaper baskets and pocket calculators to the stationery expense account, although they can last for more than one accounting period. The applicable accounting principle is _____.
- A objectivity
 - B consistency
 - C materiality
 - D matching / accrual

ACCOUNTING INFORMATION AND TERMINOLOGY

7. The owner takes some stationery at the beginning of the year for her son to use at school.
- In which journal will the accountant make an entry and which source document will he use?**
- A General Journal using a journal voucher.
 - B Petty Cash Journal using a petty cash voucher.
 - C General Journal using an EFT voucher.
 - D Cash payments journal using an EFT voucher.
8. A business earns interest on a fixed deposit.
- Which account will the accountant credit?**
- A Bank
 - B Interest on fixed deposit
 - C Interest on current account
 - D Interest on savings account
9. Assets and liabilities are classified as either current or non-current based on _____.
- A value
 - B time
 - C payments
 - D cost
10. A business takes out a short-term loan for three months to use as bridging finance.
- The interest in this loan will be classified as a/an _____.**
- A expense
 - B payment
 - C non-current liability
 - D current liability

JOURNALS AND GENERAL LEDGER ACCOUNTS

11. On 28 February 2021, the Bank column in the CRJ totalled R180 000 and the Bank column in the CPJ totalled R160 000. After the cash journals were posted, the bank account in the General Ledger had a debit balance of R74 000.

The opening balance of the bank account on 1 February 2021 was _____.

- A R94 000 credit
 - B R94 000 debit
 - C R54 000 credit
 - D R54 000 debit
12. On 28 February 2021, the Sales column of the CRJ totalled R70 000 and the Cost of sales column totalled R50 000.

The mark-up that is contained on cost price is _____.

- A 40,00 %
 - B 28,57 %
 - C -40,00%
 - D -28,57 %
13. Which one of the following is **NOT** an advantage of using a system of control accounts?
- A It removes bulky information from the General Ledger.
 - B The trial balance figures provide detail from the individual accounts rather than a summary of totals.
 - C It minimises the likelihood of fraud, because different staff independently maintain control account records and subsidiary ledgers.
 - D Larger companies can set up accounting departments for specific areas, e.g. debtors.
14. Calculate the total of the **DEBTORS CONTROL COLUMN** amount in the **CRJ** (marked ①) if the following column totals are given on 28 February 2021.

BANK	SALES	COST OF SALES	DEBTORS CONTROL	DISCOUNT ALLOWED	CREDITORS CONTROL	SUNDRY ACCOUNTS
180 000	70 000	50 000	①	2 000	3 000	45 000

- A R62 000
- B R14 000
- C R10 000
- D R64 000

15. The petty cash imprest is set on R1 750 with a maximum cash payment amount of R250. How much cash will the accountant need to adjust the balance on 1 March 2021 if the following totals were taken from the PCJ on 28 February 2021?

PETTY CASH	TRADING STOCK	WAGES	SUNDRY ACCOUNTS
?	820	180	720

- A R1 750
B R30
C R1 720
D R1 500
16. On 28 January 2021, the total of the debtors list amounts to R69 874.
- During February 2021:**
- Total payments of R59 864 were received from debtors and discount allowed amounted to R3 222.
 - Total credit sales (after R6 879 trade discount was given) amounted to R40 324.
 - Total debtors allowance granted was R1 987.
- What will the balance of the Debtors Control Account be on 1 March 2021?**
- A R49 099
B R45 125
C R44 690
D R38 246
17. Returns were analysed by the sales manager and he reported that returns that could be resold amounted to R2 800 and that returns that were so damaged that they could not be resold amounted to R476. Assume that the mark-up percentage on cost price is 40%.

What entry will be made in the TRADING STOCK ACCOUNT?

- A Debit entry of R2 000.
B Credit entry of R2 000.
C Debit entry of R2 340.
D Credit entry of R2 340.
18. Using the same information as in question 17.
- Which entry will be made in the DEBTORS ALLOWANCE ACCOUNT?**
- A No entry will be made in the Debtors Allowance Account.
B The account will be debited with R3 276.
C The account will be credited with R3 276.
D The account will be debited with R2 324.

19. The Creditors Control account shows a credit entry for Bank. The following is a list of possible transactions.

Which one is NOT a possibility?

- A The payment made to a creditor was posted to the incorrect creditor's account in the Creditors Ledger.
- B An overstated error in the CPJ is corrected.
- C The payment made to the creditor is cancelled as a result of insufficient funds in the bank account.
- D An amount overpaid is returned by the creditor.

CASH TRANSACTIONS & ACCOUNTING EQUATION

20. The bank statement received shows a debit entry for cash handling fees, R200 and a credit entry for interest, R80.

Which one of the following is the most likely entry that the accountant of the business will make?

- A There is an error on the bank statement, as it is impossible to have debit and credit entries form the bank on a bank statement, as such no entry will be made in the books of the business.
- B She will credit Interest on current account with R80 and debit Bank charges with R200.
- C She will debit Interest on current account with R200 and credit Interest on overdraft with R80.
- D She will debit Interest on current account with R80 and credit Bank charges with R200.

21. **What will be the effect of the following transactions on the accounting equation?**

Trading stock ordered and paid cash, R4 000.
Carriages in purchases paid cash, R500

	ASSETS	EQUITY	LIABILITIES
A	+ R4 500 -R4 500		
B	+R4 000	+R4 000	
C	+ R4 000 -R4 000	+R500	+R500
D	-R4 500	-R4 000	-R500

22. A debtor sends an internet proof of payment to the business. He settled his outstanding account after being granted a 5% discount. The discount amount is R60.

Which entry will the accountant make in the CRJ?

	BANK	DEBTORS CONTROL	DISCOUNT ALLOWED
A	1 200	1 260	60
B	1 140	1 200	60
C	1 200	1 140	60
D	1 260	1 200	60

23. The following information was taken from the loan account statement received for the year ending 28 February 2020.

Balance on 1 March 2019	?
Fixed monthly payment of R9 600 (including interest)	?
Capitalised interest for the year	R56 700
Balance on 28 February 2020	R482 000

What was the balance of the loan account on 1 March 2019?

- A R597 200
 B R653 900
 C R540 500
 D R548 300
24. The insolvent estate of a debtor pays 60 cents in the Rand. A payment of R3 600 was received.

Which is the correct entry/entries on the credit side in the Debtors Control Account?

A

DETAILS	FOL	AMOUNT
Bank and discount allowed	CRJ	6 000

B

DETAILS	FOL	AMOUNT
Bank	CRJ	3 600
Bad debts	GJ	2 400

C

DETAILS	FOL	AMOUNT
Bank	CRJ	2 400
Bad debts	GJ	3 600

D

DETAILS	FOL	AMOUNT
Bank and bad debts	CPJ	6 000

25. C. Johnson, a debtor, lost his job and his account of R600 was written off as irrecoverable. He managed to get a job and used some of his first salary and paid R200 to the business.

The correct entry in the cash journal will be:

	BANK	DEBTORS CONTROL	DISCOUNT ALLOWED	SUNDRY ACCOUNTS	
				AMOUNT	DETAILS
A	200	200			
B	200			200	Bad debts recovered
C	200		200		
D	200			200	Bad debts

26. The General Journal shows the following entry:

	DEBIT	CREDIT
Stationery	R80	
Trading Stock		R80

Which one of the following transactions resulted in this entry in the General Journal?

- A Stationery was incorrectly recorded as trading stock.
 - B Trading stock was incorrectly recorded as stationery.
 - C Stationery purchased cash was sold as trading stock.
 - D An error was made when posting the petty cash journal to the General Journal.
27. The General Journal shows the following entry with regards to a transaction that took place with M. Jabula, a debtor:

	DEBIT	CREDIT
M. Jabula	R40	
Discount		R40

Which one of the following transactions resulted in this entry in the General Journal?

- A M. Jabula was granted R40 discount for the early payment of his account.
 - B M. Jabula was granted an additional R40 discount for the early payment of his account.
 - C The discount allowed to M. Jabula is cancelled as a result of the late payment of his account.
 - D The debtors allowance granted to M. Jabula is cancelled.
28. The business invested surplus funds in a 12-month deposit. The initial investment was R8 000 and interest, which is not capitalised, will be payable when the investment matures. The interest rate for the first 3 months was 8.5% per annum and for the remainder of the period 6% per annum.

Which entries, with regards to the interest account, will be made in the General Ledger?

- A The Interest on fixed deposit account will be debited with R530.
 - B The Interest on fixed deposit account will be credited with R530.
 - C The Interest income account will be debited with R360.
 - D The Interest income account will be credited with R360.
29. Calculate the value of equity:

NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	EQUITY
400 000	75 000	200 000	58 000	?

- A R733 000
- B R467 000
- C R475 000
- D R217 000

30. Calculate the capital value:

ASSETS	CAPITAL	DRAWINGS	PROFIT	LIABILITIES
1 400 000	?	231 000	478 000	655 000

- A R36 000
- B R745 000
- C R902 000
- D R498 000