



MINISTRY OF EDUCATION, SINGAPORE
in collaboration with
CAMBRIDGE INTERNATIONAL EDUCATION
Secondary Education Certificate

CANDIDATE
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G2 PRINCIPLES OF ACCOUNTS

K233/02

Paper 2

For examination from 2027

SPECIMEN PAPER

2 hours

You must answer on the question paper.

You will need: Insert

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and index number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen. Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.
- If additional space is needed, you should use the lined pages at the end of this booklet; the question number or numbers must be clearly shown.
- You may use an approved calculator.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].
- The businesses described in this question paper are fictitious.
- The insert contains the data for Question 1.

This document has **16** pages. Any blank pages are indicated.

Answer all questions.

- ## **1 Refer to the insert for data for Question 1.**

REQUIRED

- (a) Prepare the statement of financial performance for the year ended 30 June 2027.

Alisa

Statement of financial performance for the year ended 30 June 2027

[8]

- (b)** Prepare the statement of financial position as at 30 June 2027.

Alisa
Statement of financial position as at 30 June 2027

[12]

[12]

[Total: 20]

- 2 Haziq trades as a carpenter. On 1 May 2026, Haziq's business bought a motor van costing \$7300 on credit from Exe Motors.

REQUIRED

- (a) Prepare the journal entry to record this transaction in the books of Haziq's business.
A narration **is** required.

Journal

date 2026	particulars	debit \$	credit \$

[3]

- (b) Explain the meaning of **each** of the following terms:

- (i) capital expenditure

.....

 [2]

- (ii) revenue expenditure

.....

 [2]

During the year ended 30 April 2027, Haziq's business incurred expenditure in respect of the motor van.

REQUIRED

- (c) Complete the table by classifying the expenditure by placing a tick (✓) in the appropriate column.

	capital expenditure	revenue expenditure
diesel for the motor van		
painting business name on the motor van		
motor van service		
motor van insurance		

[4]

- (d) Explain the materiality theory.

.....

.....

.....

.....

[2]

[Total: 13]

- 3 Peng sells garden furniture. Details from the cash at bank account and bank statement for the business for the month of July 2027 are as follows:

Cash at bank account

date 2027	particulars	debit \$	credit \$	balance \$
July 1	balance b/d			1925 Dr
2	rent		750	1175 Dr
5	cash		500	675 Dr
8	C Lane	652		1327 Dr
15	sales revenue	1500		2827 Dr
19	Y Brindle		892	1935 Dr
22	J Warren	125		2060 Dr
23	Vanya		324	1736 Dr
28	drawings		1000	736 Dr
29	Sheng	257		993 Dr
August 1	balance b/d			993 Dr

Bank statement

date 2027	particulars	payments \$	receipts \$	balance \$
July 1	balance b/d			1925 Cr
4	Kim Properties	750		1175 Cr
5	cash withdrawal	500		675 Cr
15	cash		1500	2175 Cr
24	C Lane		652	2827 Cr
26	J Warren		125	2952 Cr
27	Y Brindle	892		2060 Cr
28	Peng	1000		1060 Cr
31	bank charges	72		988 Cr

The following information is also available.

Business paid rent of \$750 to Kim Properties on 2 July.

REQUIRED

- (a) Calculate the updated cash at bank amount at 31 July 2027.

[3]

- (b)** Prepare a bank reconciliation statement at 31 July 2027.

Bank reconciliation statement at 31 July 2027

- (c) State **two** reasons why it is important for a business to prepare a bank reconciliation.

1

.....
2

[2]

- (d) Explain the objectivity theory.

.....
.....
.....
.....

[2]

[Total: 13]

- 4 Eric's business trades in sports shoes. On 1 March 2027, the business had an inventory of shoes with a total cost of \$5000 (500 pairs at \$10 each). Eric uses the FIFO (First In First Out) method of inventory valuation. The following transactions took place in March 2027.

March 8 Eric sold 500 pairs of sports shoes to Mei.

12 Eric purchased 40 pairs of sports shoes that cost \$400 on credit from LP Supplies.

19 Eric sold 40 pairs of sports shoes to Yang at a list price of \$15 each pair.

25 Yang returned 40 pairs of sports shoes to Eric.

REQUIRED

- (a) Prepare the journal entries to record the transactions for 12 and 25 March 2027 in Eric's books.

date 2027	particulars	debit \$	credit \$
March 12			
March 25			

[6]

- (b) Calculate the cost of sales for March 2027.

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[3]

Eric's business purchases approximately 3000 pairs of sports shoes per annum from LP Supplies, a supplier to Eric's business for 10 years.

His business is considering changing its local supplier to one based overseas, SK Traders.

The following information is available.

	LP Supplies	SK Traders
list price	\$10	\$9
credit terms	30 days 1% cash discount for payment within 20 days	30 days 1% cash discount for payment within 25 days
delivery fees	\$20 for every 100 pairs	\$45 for every 100 pairs
refund policy	refunds made within 2 days of return	refunds made within 1 week of return
replacement policy	replacement sports shoes will be delivered within 3 days	replacement sports shoes shipped within 10 days
additional incentive	none	samples of new types of sports shoes provided monthly

REQUIRED

- (c) Advise Eric which supplier he should choose. Justify your decision with **two** reasons.

[5]

[Total: 14]

Additional page

If you use the following page to complete the answer to any question, the question number must be clearly shown.

Additional page

If you use the following page to complete the answer to any question, the question number must be clearly shown.

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