

SMARTWIZ

GRADE10 ACCOUNTING EXAM

MARKS: 100

MARKS	

TIME: 2 hours

SCHOOL _____

CLASS (e.g. 4A) _____

SURNAME _____

NAME _____

Instructions for Learners:

- Read all the instructions carefully before you begin the exam.
- Write your name and learner number clearly on the answer sheet/booklet.
- Answer all the questions unless otherwise instructed.
- Show all your work/calculations where applicable.
- Write neatly and legibly.
- Use only blue or black ink. *Do not use correction fluid or tape.*
- No electronic devices (calculators, phones, etc.) are allowed unless explicitly permitted.
- Raise your hand if you have any questions.
- Do not talk to other learners during the exam.
- Any form of cheating will lead to disqualification.

This test consists of 6 pages including the cover page.

SECTION A: MULTIPLE CHOICE (10 × 1 = 10 marks)

Choose the correct answer and write only the letter (A-D) next to the question number.

1.1 What type of account is “Trade Payables”?

- A. Asset
 - B. Liability
 - C. Owner’s Equity
 - D. Expense
-

1.2 Which document is issued to a customer to confirm goods were sold on credit?

- A. Receipt
 - B. Invoice
 - C. Credit Note
 - D. Statement
-

1.3 Which accounting principle requires expenses to be recorded in the same period as the income they help generate?

- A. Consistency
 - B. Matching
 - C. Prudence
 - D. Accrual
-

1.4 Which of the following is NOT a current asset?

- A. Debtors
 - B. Bank
 - C. Machinery
 - D. Stock
-

1.5 The term “drawings” refers to:

- A. Money withdrawn by the owner for personal use
 - B. Owner’s investment in the business
 - C. Business expenses
 - D. Bank loan repayment
-

1.6 Which document records all cash payments?

- A. CRJ
- B. CPJ

- C. Cash Book
D. Debtors Journal
-

1.7 What does the trial balance show?

- A. Financial position of the business
B. List of all account balances
C. Cash flow of the business
D. Sales and expenses
-

1.8 Accumulated depreciation is classified as a:

- A. Current asset
B. Contra asset
C. Liability
D. Expense
-

1.9 Which section of the balance sheet shows the money owed to the business?

- A. Current assets
B. Current liabilities
C. Fixed assets
D. Owner's equity
-

1.10 What is the primary purpose of an income statement?

- A. Show financial position at a point in time
B. Show profit or loss over a period
C. Show cash movements
D. List creditors and debtors
-
-

SECTION B: MATCHING ITEMS (5 × 1 = 5 marks)

Match items in Column A with the correct description in Column B. Write the letter next to the question number.

Column A	Column B
2.1 Debtors	A. Money owed to the business
2.2 Creditors	B. Goods bought to sell
2.3 Inventory	C. Money owed by the business
2.4 Capital	D. Owner's investment in business
2.5 Cash Book	E. Records all cash transactions

- 2.1 _____
 - 2.2 _____
 - 2.3 _____
 - 2.4 _____
 - 2.5 _____
-
-

SECTION C: TRUE OR FALSE ($5 \times 1 = 5$ marks)

Write TRUE or FALSE. If false, correct the statement.

3.1 The owner's equity increases when the owner withdraws money.

3.2 A credit note decreases the amount owed by a debtor.

3.3 Fixed assets are expected to be sold within 12 months.

3.4 The matching principle requires income and related expenses to be recorded in the same period.

3.5 Drawings reduce the owner's equity in the business.

SECTION D: SHORT QUESTIONS (40 marks)

4.1 Define the following terms:

a) Current liabilities

b) Depreciation

4.2 Explain the difference between capital expenditure and revenue expenditure.

4.3 List four examples of current assets.

4.4 Explain the purpose of a trial balance.

4.5 What is a source document? Give two examples.

SECTION E: PRACTICAL QUESTIONS (40 marks)

5.1 Prepare journal entries for the following transactions:

a) The owner invested R30,000 cash into the business.

b) Bought equipment on credit for R12,000.

c) Sold goods for R8,000 on credit.

d) Paid electricity expense of R1,200 in cash.

5.2 Prepare a simple balance sheet from the following information:

- Cash: R10,000
- Debtors: R5,000
- Equipment: R20,000
- Creditors: R7,000
- Capital: ?

Show calculations clearly.

TOTAL: 100 MARKS



MEMO

SECTION A: MULTIPLE CHOICE ($10 \times 1 = 10$ marks)

- 1.1 B. Liability
 - 1.2 B. Invoice
 - 1.3 B. Matching
 - 1.4 C. Machinery
 - 1.5 A. Money withdrawn by the owner for personal use
 - 1.6 B. CPJ (Cash Payments Journal)
 - 1.7 B. List of all account balances
 - 1.8 B. Contra asset
 - 1.9 A. Current assets
 - 1.10 B. Show profit or loss over a period
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SECTION B: MATCHING ITEMS ($5 \times 1 = 5$ marks)

- 2.1 A. Money owed to the business (Debtors)
 - 2.2 C. Money owed by the business (Creditors)
 - 2.3 B. Goods bought to sell (Inventory)
 - 2.4 D. Owner's investment in business (Capital)
 - 2.5 E. Records all cash transactions (Cash Book)
-

SECTION C: TRUE OR FALSE ($5 \times 1 = 5$ marks)

- 3.1 FALSE – The owner's equity decreases when the owner withdraws money.
 - 3.2 TRUE
 - 3.3 FALSE – Fixed assets are expected to be used for longer than 12 months.
 - 3.4 TRUE
 - 3.5 TRUE
-

SECTION D: SHORT QUESTIONS (40 marks)

4.1 Definitions:

- a) Current liabilities: Debts or amounts owed by the business that must be paid within 12 months. (2 marks)
- b) Depreciation: The allocation of the cost of a fixed asset over its useful life. (2 marks)

4.2 Difference between capital expenditure and revenue expenditure:

- Capital expenditure is money spent on acquiring or improving fixed assets that will benefit the business over a long period.

- Revenue expenditure is money spent on the day-to-day running costs or repairs that maintain the asset but do not improve it.
(4 marks)

4.3 Examples of current assets (any four):

- Cash
 - Debtors
 - Inventory/Stock
 - Bank
- (4 marks)

4.4 Purpose of a trial balance:

To check the accuracy of the ledger accounts by ensuring that total debits equal total credits. (3 marks)

4.5 Source document definition:

A source document is the original record of a transaction used as proof for accounting entries.

Examples: Invoice, receipt, credit note, cheque. (4 marks)

SECTION E: PRACTICAL QUESTIONS (40 marks)

5.1 Journal entries:

- Debit Cash R30,000 / Credit Capital R30,000
 - Debit Equipment R12,000 / Credit Creditors R12,000
 - Debit Debtors R8,000 / Credit Sales R8,000
 - Debit Electricity Expense R1,200 / Credit Cash R1,200
- (4 × 2.5 = 10 marks)

5.2 Balance Sheet preparation:

Assets

- Cash: R10,000
 - Debtors: R5,000
 - Equipment: R20,000
- Total Assets: R35,000**

Liabilities

- Creditors: R7,000

Owner's Equity

Capital = Total Assets – Liabilities = R35,000 – R7,000 = R28,000

Balance Sheet format:

Assets	Amount (R)	Liabilities & Equity	Amount (R)
Cash	10,000	Creditors	7,000
Debtors	5,000	Capital	28,000
Equipment	20,000		
Total Assets	35,000	Total Liabilities & Equity	35,000
(10 marks)			

TOTAL: 100 MARKS

