

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 Which financial statement shows the financial position of a business at a specific date?

- A. Income Statement
 - B. Balance Sheet
 - C. Cash Flow Statement
 - D. Statement of Changes in Equity
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1.2 What type of account is 'Salaries Expense'?

- A. Asset
 - B. Liability
 - C. Expense
 - D. Income
-

1.3 Which document is used to order goods from a supplier?

- A. Invoice
 - B. Receipt
 - C. Purchase Order
 - D. Credit Note
-

1.4 The accounting equation is:

- A. Assets = Liabilities + Owner's Equity
 - B. Assets = Income + Expenses
 - C. Liabilities = Assets + Equity
 - D. Owner's Equity = Assets + Liabilities
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1.5 Which of the following is NOT a source document?

- A. Receipt
 - B. Invoice
 - C. Journal
 - D. Purchase Order
-

1.6 What is the normal balance of a liability account?

- A. Debit
- B. Credit

- C. Both
D. None

1.7 What is the effect on assets when a business purchases equipment on credit?

- A. Assets increase
B. Assets decrease
C. Assets remain the same
D. Assets increase and decrease simultaneously

1.8 What type of journal records all credit sales?

- A. Cash Receipts Journal
B. Creditors Journal
C. Debtors Journal
D. General Journal

1.9 Depreciation is:

- A. An increase in asset value
B. The allocation of an asset's cost over its useful life
C. A liability
D. Revenue

1.10 Which statement best describes a 'trial balance'?

- A. A list of all cash payments
B. A list of all ledger accounts with their balances
C. A record of all transactions
D. A summary of income and expenses

SECTION B: MATCHING (5 × 1 = 5 marks)

Match the terms in Column A with the correct explanation in Column B.

Column A	Column B
2.1 Accruals	A. Expenses incurred but not yet paid
2.2 Assets	B. Resources owned by the business
2.3 Capital	C. Owner's investment in the business
2.4 Drawings	D. Money taken out of the business by the owner
2.5 Liability	E. Amounts owed by the business

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

SECTION C: TRUE OR FALSE (5 × 1 = 5 marks)

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

3.1 Expenses decrease the owner's equity.

3.2 A bank loan is an example of an asset.

3.3 The purchase of stock on credit increases liabilities.

3.4 The cash flow statement shows the inflow and outflow of cash.

3.5 Accumulated depreciation increases the value of the asset.

SECTION D: SHORT QUESTIONS (40 marks)

4.1 Define 'capital expenditure' and give one example.

4.2 Explain the difference between current assets and non-current assets.

4.3 Describe the purpose of the general ledger.

4.4 List four types of expenses that may appear on an income statement.

4.5 Explain why businesses use source documents in accounting.

SECTION E: PRACTICAL QUESTIONS (40 marks)

QUESTION 5: Use the following transactions to complete the journal entries in the general journal.

Date	Transaction	Debit Account	Credit Account	Amount
2024-10-01	Owner invested cash into the business	Cash	Capital	20,000
2024-10-05	Purchased office furniture on credit	Office Furniture	Creditors	5,000
2024-10-10	Paid electricity account in cash	Electricity Expense	Cash	800
2024-10-15	Sold goods on credit to a customer	Debtors	Sales	3,000

Fill in the journal entries below:

Date	Account Debited	Amount Dr	Account Credited	Amount Cr

QUESTION 6: Prepare a simple balance sheet as at 31 October 2024 using the information below:

Item	Amount (R)
Cash	10,000
Debtors	3,000
Office Furniture	5,000
Creditors	2,000
Capital	?

Calculate Capital (Owner's Equity) and complete the balance sheet below:

BALANCE SHEET AS AT 31 OCTOBER 2024

Assets R

Cash

Debtors

Office Furniture

BALANCE SHEET AS AT 31 OCTOBER 2024**Total Assets****Liabilities and Owner's Equity**

Creditors

Capital

Total Liabilities and Owner's Equity**END OF EXAM****TOTAL : 100**

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

- 1.1 B
 - 1.2 C
 - 1.3 C
 - 1.4 A
 - 1.5 C
 - 1.6 B
 - 1.7 A
 - 1.8 C
 - 1.9 B
 - 1.10 B
-

SECTION B: MATCHING ($5 \times 1 = 5$ marks)

- 2.1 A
 - 2.2 B
 - 2.3 C
 - 2.4 D
 - 2.5 E
-

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

- 3.1 TRUE
 - 3.2 FALSE – A bank loan is a liability.
 - 3.3 TRUE
 - 3.4 TRUE
 - 3.5 FALSE – Accumulated depreciation decreases the value of the asset.
-

SECTION D: SHORT QUESTIONS (40 marks)

4.1

- Capital expenditure is money spent to acquire or improve fixed assets that will benefit the business in the long term.
- Example: Purchasing machinery or office furniture.
(4 marks)

4.2

- Current assets are assets that can be converted to cash within one year (e.g., cash, debtors, stock).
 - Non-current assets are long-term assets used in the business (e.g., buildings, equipment).
- (6 marks)

4.3

- The general ledger is a book or computer file that contains all the accounts of a business and their balances.
 - It is used to prepare financial statements.
- (5 marks)

4.4

- Salaries
 - Rent
 - Electricity
 - Stationery
- (4 marks)

4.5

- Source documents provide evidence of transactions.
 - They ensure accuracy and help in verifying accounting records.
- (5 marks)

SECTION E: PRACTICAL QUESTIONS (40 marks)

QUESTION 5: JOURNAL ENTRIES

Date	Account Debited	Amount Dr	Account Credited	Amount Cr
2024-10-01	Cash	20,000	Capital	20,000
2024-10-05	Office Furniture	5,000	Creditors	5,000
2024-10-10	Electricity Expense	800	Cash	800
2024-10-15	Debtors	3,000	Sales	3,000

QUESTION 6: BALANCE SHEET

Assets:

- Cash: R10,000
- Debtors: R3,000
- Office Furniture: R5,000
- **Total Assets = 10,000 + 3,000 + 5,000 = R18,000**

Liabilities and Owner's Equity:

- Creditors: R2,000
 - Capital = Total Assets – Creditors = 18,000 – 2,000 = R16,000
 - **Total Liabilities and Owner's Equity = 2,000 + 16,000 = R18,000**
-

END OF MEMO

TOTAL : 100

