ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL CERTIFICATE

IN

BUSINESS STUDIES

MODULE: Business Accounting 1 **PAPER NO: 310/22/M01**
310/25/M01

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all questions.
2. Show all relevant workings.
3. A silent non programmable calculator may be used.
4. Begin each answer to a new question on a fresh page.

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QUESTION 1

The following trial balance was extracted from the books of Luis Palau. His year ends on the 31st of December.

Luis Palau: Trial balance as at 31 December 2022

Capital		75 000
Machinery at cost	60 000	
Premises at cost	40 000	
Motor vehicles at cost	20 000	
Accounts receivable and payable	20 000	18 000
Purchases and sales	175 000	350 000
Lighting and heating	7 300	
Rent and rates	5 000	
Bad debts	1 000	
Accumulated depreciation : Machinery		15 000
Motor vehicles		5 000
Discounts	1 500	3 000
Carriage inwards	5 000	
Carriage outwards	6 000	
Returns	15 000	10 000
Bank	30 000	
Inventory on 1 January 2022	50 000	
Salaries and wages	16 000	
Drawings	15 000	
Bank charges	1 500	
Commission received		2 000
General expenses	9 700	
	478 000	478 000

a) Inventory on 31 December 2022 was valued at $20 000.

b) Rent and rates are prepaid by $1000, salaries and wages are accrued by $4500.

c) Create a provision for bad debts at 5% of accounts receivable.

d) Depreciate machinery at 10% on cost and motor vehicle at 5% using the reducing balance method.

Required:

Prepare a Statement of Comprehensive Income for the year ended 31 December 2022 and a Statement of Financial Position as at the same date.

(20 marks)

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QUESTION 2

From the following details enter the sales, purchases, returns inwards and returns outwards journals.

2023 April 1.	Credit sales to T. Matombo $56, L Gwanya $148 and K. Barure $145.
3.	Credit purchases from P. Bonde $144 H. Harari $25 B. Sengwe $76.
7.	Credit sales to K. Ketayi $89, N. Minda 78, N Lunga $257.
9.	Credit Purchases from B. Pepukai $24 H. Harari $58, H. Mlilo $123.
10.	Goods returned by us to P. Bonde $12 B. Sengwe $22.
14.	Goods returned to us by T. Matombo $5 K. Barure $11, K. Ketayi $14.
17.	Credit purchases from H. Harari $54 B. Pepukai $65, L Nani $75.
20.	Goods returned to B. Sengwe $14.
24.	Credit sales to K. Moyo $57 k. Ketayi $65 O. Garikayi $112.
28.	Goods returned to us by N Minda $24.
31.	Credit sales N. Lunga $55.

(20 marks)

QUESTION 3

You are to record the following transactions in the ledger of M. Ndebele. Balance off the Ledger accounts and draw up a Trial Balance at the end of May.

2022 May 1.	Started business with capital in Cash $800 and $2500 in the bank.
2.	Bought goods on credit from T. Stores for $610.
5.	Paid rent by cash $200.
6.	Sold goods for cash $700.
8.	Purchased goods paying by cheque $200.
12.	Bought stationery $300 paying by cash.
15.	Sold goods on credit to R. Parsely $700.
20.	Paid wages and salaries by cheque $200.
22.	We paid T. Storey in full and he gave us a discount of $10.
30.	Bought more stationery on credit from F. Franklin for $600.

(20 marks)

QUESTION 4

Write up a cash book for the following transactions for the month of March 2022. Balance off the cash book at the end of March.

March 1. Capital paid into the business cash $3000 and bank $5000

2. Paid electricity by cheque $128.

3. Bought goods by cash $930.

4. Received a cheque for rent $350.

5. Paid telephone by cash $130.

6. Deposited $100 cash into the bank.

7. Sold goods for cash $700.

8. Received a cheque from a debtor M. Gozo $800.

9. The following paid their accounts by cheque, Mary an account of $200 less $4 cash discount and James an account of $400 less 5% discount by cheque.

10. Paid wages by cheque $350.

11. Received a cheque for rent $176.

12. Paid insurance premium by cash $75.

13. The proprietor drew money from the bank for private use $180.

14. Withdrew $200 cash from the bank for office use.

15. Paid salaries in cash $150 and used $450 cash to pay school fees for the proprietor's child.

16. Bought office furniture for $3500 by cheque.

17. Sold a piece of old furniture cash $275.

24. Paid sundry expenses by cheque $82.

(20 marks)

QUESTION 5

State and explain any five (5) accounting concepts. (20 marks)

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