

# PRINCIPAL EXAMINER'S REPORT



BOTSWANA  
EXAMINATIONS  
COUNCIL

## BGCSE ACCOUNTING 2024

## PAPER 1: WRITTEN PAPER

### Key messages

- 1 The question consisted of 10 multiple choice questions covering various sections of the syllabus including questions on objectives of accounting, Interpretations of accounts, explaining the meaning of a debit balance in the books of a supplier, Identifying a document used to write up a sales journal, from given information, to calculate the monthly imp-rest. To identify the correct statement in a partnership when there is no partnership agreement. To calculate the cost of production of Thobo's manufacturers and to calculate Katlo's net pay for the month.
- 2 Candidates were required to respond to short – answer questions relating to the knowledge of accounting, they were asked to state the meaning of the statement of financial position, to complete a table to name the account to be debited and the account to be credited. From given information, they were required to complete a table by placing a tick to indicate how each of the manufacturing costs should be classified.
- 3 For this question, candidates were required to state what is meant by a subsidiary book and to give four advantages of keeping subsidiary books. To state two reasons why Rati should check the purchases invoice against the delivery note. Candidates were also asked to state the difference between trade discount and cash discount. To prepare the Purchases account, The Returns Outward account and Abel's account in Rati's ledger.
- 4 This question required candidates to state four advantages of preparing control accounts. From given information, the question required candidates to complete a table indicating where each of the items would appear in Boago's trade receivables ledger control account, and to suggest reasons why Boago's trade receivables ledger control account had a credit balance.
- 5 The question required candidates to explain the meaning of prepaid expenses and accrued expenses. To prepare packaging materials account and rent receivable account in Dimpho's ledger. To state the effect of transactions on working capital.
- 6 Candidates were required to state equivalent terms for a trading business to those used in the financial statement of a club. And to explain why members of a club are not allowed to make drawings. To prepare the subscriptions account, the shop income statement and the Income and Expenditure Account . They were also asked to state differences between a receipts and payments account and an income and expenditure account.

### General Comments

Generally, the performance of candidates in 2024 was somewhat weaker compared to 2023, though questions were of the same level of standard and skills. Most of the candidates showed lack of understanding in the preparation of the Packaging account, the Rent received account, the subscriptions account and abilities in knowledge and understanding of concepts of accounting.

Just like those of the previous years, candidates showed weakness in questions that tested application of concepts, analytical and evaluation skills. Then again, most of the candidates still found theory questions difficult to deal with. Most candidates showed little or no knowledge on certain parts of the

syllabus including the preparation of Abel's account in Rati's ledger, the Shop Income Statement and the Income and Expenditure Account. It is also regrettable that, though tested before and reported on, most candidates still could not calculate the correct figures to be transferred to the Income and Expenditure Account. When preparing accounts of the Lobatse Rugby Club, a number of candidates lost marks as they provided answers without supporting calculations.

Candidates are again reminded that a question can be set on any section of the syllabus and a thorough knowledge of all sections of the syllabus is necessary to achieve a good grade in the examination. It is important to work through questions on past exam papers and appropriate exercises in appropriate textbooks. Candidates are advised to read through a question and think very carefully before attempting to answer as marks are awarded as per instruction.

### Comments on Individual Questions

- 1 This question consisted of 10 multiple choice questions from across the syllabus. There was a wide range of marks scored with many candidates scoring 5 or more.
  - (a) Candidates were to identify an objective of accounting. Most of the candidates did well in this question. The correct answer was **A**.
  - (b) Candidates were to identify what will not be recorded in the financial statement of a business. Most of the candidates got the answer right. The correct answer was **C**.
  - (c) Candidates were to explain the meaning of a customer's account showing a debit balance in the books of a supplier a few lacked understanding and failed to give the correct response. The correct answer was **A**.
  - (d) Candidates were to identify which document is used to write up a sales journal. A sizable number of candidates got the answer correct. The answer was **C**.
  - (e) This part question was poorly done. Most of the candidates failed to explain how the total of the discount column on the credit side of a cash book is posted to the ledger. The correct answer was **B**.
  - (f) Candidates did well in this part question, most of them were able to calculate the monthly imprest. The correct answer was **D**.
  - (g) Candidates were to calculate the total value of the inventory to be included in Pako's financial statement, A sizeable number of candidates showed lack of understanding as they could not calculate the correct value. They had no knowledge on how to value inventory, Some thought the answer was B. But the correct answer was **A**.
  - (h) The question asked candidates to identify the correct statement used in a partnership when there is no partnership agreement. Most candidates managed to get the answer right, The correct answer was **D**.
  - (i) Candidates were asked to calculate the cost of production. Most candidates got the answer correct. The correct answer was **B**.
  - (j) The question required candidates to calculate Katlo's net pay for the month. Most of the candidates managed to get the correct answer. The expected answer was **C**.

- 2**
- (a)** Candidates were asked to state what is meant by the statement of financial position. The question was well answered by most of the candidates. They correctly said it is a statement of assets, liabilities and capital of a business. A few of the candidates failed to bring in the aspect of capital.
  - (b)** From the given information, candidates were asked to indicate by placing a tick to show if an item is a current asset or a current liability. The question was generally well answered, few of the candidates however could not place income accrued and insurance prepaid under the correct heading.
  - (c)** Candidates were to complete a table by naming the account to be debited and the account to be credited. The question was generally well answered except for a few candidates who wrote commission instead of commission received.
  - (d)** Candidates were asked to complete a table to indicate how each of the manufacturing costs should be classified. Most of the candidates managed to answer the question well and identify them correctly.
- 3**
- (a)** The question required candidates to state the meaning of a subsidiary book. Most of the candidates managed to answer the question well. Some gave a correct response that it is a book where transactions are first recorded from business documents.
  - (b)** Candidates were asked to state four advantages of keeping subsidiary books. Expected responses were –to reduce the number of entries in the ledger, It acts as an aid for posting in the ledger, Helps in the preparation of control accounts, It groups together similar types of transactions, It allows work to be divided between several people and it makes it easy for reference purposes. It was the most well answered question though some failed to score maximum marks. Some gave responses pertaining to the petty cash book while others gave advantages of control accounts.
  - (c)** This stood out as the most well answered part question as well. Candidates were able to state the two reasons why Rati should check the purchases invoice against the delivery note.
  - (d)** The question required candidates to state two differences between trade discount and cash discount. This was well answered by quite a few candidates, however. Some candidates gave one sided responses, others were able to correctly say trade discount is given to encourage a customer to buy in bulk while cash discount is given to encourage a customer to pay promptly ,and failed to give other responses like trade discount is shown as a deduction on an invoice while cash discount is shown as a note on an invoice and that trade discount is never shown in the ledger or income statement but cash discount is shown in the Ledger and Income Statement.
  - (e)** Candidates were to prepare Abel's account, the Purchases account and the Returns outwards account. Quite a number of candidates were challenged by this question as they lacked content. It is really worrisome to note that Some candidates still fail to record transactions on the correct side of an account and show correct details, this clearly shows lack of understanding.

Some provided details which were the same as the name of the account. Some candidates managed to calculate the bank figure of P342 and the discount received of P18, others only showed the bank figure in Abel's account and left out the discount received figure of P18. A few of the candidates recorded items on the opposite side while others recorded amounts only without details which is quite regrettable as it has always been emphasised that all accounts should have correct details and amounts.

- (f) Candidates were to state two reasons why Rati might have returned goods to her suppliers. Most of the candidates managed to score a maximum of 2 marks as they managed to give correct responses.

- 4 (a) The question required candidates to state four advantages of preparing control accounts. The question was well answered by most of the candidates. Expected responses were they assist in locating errors when the trial balance fails to balance, they are a proof of the arithmetical accuracy of the ledgers they control, they provide immediate information about totals of trade receivables and trade payables. They enable draft financial statements to be prepared quickly, they help to reduce fraud as they are prepared by someone who has not been involved in making entries.
- (b) Candidates were to state the book of prime entry from the given information which Boago would use when preparing his trade payables ledger control account. The question was not well answered as most of the candidates failed to identify books of prime entry for interest charged on overdue accounts and inter ledger transfers. Those who attempted to answer the question wrote journal instead of The Journal or General ledger where applicable.
- (c) Candidates were required to complete a table by indicating where information given would appear in Boago's trade receivables ledger control account. Majority of the candidates managed to answer the question and were able to score a minimum of six.
- (d) The question required candidates to suggest three reasons why Boago's Trade receivable ledger control account had a credit balance. Most of the candidates were able to mention that there might have been an overpayment by a credit customer, Credit customers might have returned goods after paying the account. The credit customer might have paid in advance for the goods. Cash discount might not have been deducted before payment was made.
- 5 (a) (i) The question required candidates to explain the meaning of prepaid expenses, some candidates managed to get a maximum of two marks as they managed to give the correct response.
- (ii) Candidates were asked to explain accrued income. The **question was** also well answered by most of the candidates.
- (b) From given information; candidates were to prepare packaging material account and Rent received account. The question was poorly attempted, most of the candidates showed no knowledge on certain parts of the syllabus including the preparation of the rent received account just as in previous years. Though tested before and reported on, most candidates could still not

calculate correct figures to be transferred to the income statement. Teachers should give much attention to the topic. Candidates must note that marks could be awarded for correct dates and correct details. Over 70% of candidates showed lack of understanding when asked to prepare the rent received account.

- (c) From the given information, candidates were required to state the effect of transactions on working capital and to give reasons for answers provided, Although most of the candidates attempted to answer this question, they failed to give reasons for their responses, others left blank spaces, others simply gave incorrect responses and quite a number of candidates failed to get the marks.
- 6 (a) From the given information, relating to Lobatse Rugby club candidates were required to state equivalent terms used by a trading business to terms used in the financial statement of the club. While a respectable number of candidates managed to score the full marks a few obtained an average of 2 marks.
- (b) Candidates were required to explain why members of the club are not allowed to make drawings, majority failed to explain well that members have not invested capital into the club and therefore cannot earn a return on their investment. Only a few demonstrated basic knowledge and understanding of the question.
- (c) From the given information, candidates were asked to prepare the subscriptions account, to balance the account and bring down the balance. This topic has always proven to be a challenge for candidates and most of them failed to obtain maximum marks because they could not calculate the correct figure to be transferred to the income statement. Some recorded transactions on the opposite side, a few failed to follow instructions as they failed to balance the account and bring down the balance.
- (d) Candidates were to prepare a shop income statement for the Lobatse Rugby club. A number of candidates lost marks as they provided answers without supporting calculations. Some candidates are still not able to differentiate the opening stock from the closing stock.
- (e) Candidates were asked to prepare the income and Expenditure account. The question was poorly answered as most candidates failed to transfer the income and expenditure and shop profit figures to the subscriptions account. Some failed to calculate the figure for depreciation of sports equipment. This topic has always proved to challenge candidates when it comes to preparation of final accounts. A few Centres were still using the horizontal method and candidates lost marks because they incorrectly recorded transactions on the opposite side. candidates are encouraged to use the correct format for preparing financial statements which is the vertical method.
- (f) This question required candidates to state three differences between a receipts and payments account and an income and expenditure account. Majority of the candidates could not come up with the three comparable differences. So, they only managed to obtain a maximum of two marks. A few failed to compare the two concepts revealing lack of knowledge. Candidates are encouraged to strengthen their conceptual understanding of Non-profit-making oriented organisations and key accounting terms.

## PAPER 2: WRITTEN PAPER

### Key messages

- 1 The question tested candidates' understating of the preparation of the income statement of a service business and how the service business differs from the merchandised business. The understanding of methods of depreciation (straight line, reducing balance and revaluation) was required.
- 2 It was based on the topic of single entry and incomplete records. Candidates had to calculate the amount received from credit customers and credit purchases for the year. Then answer related theory questions.
- 3 Candidates were required to have a thorough understanding of limited liability companies. Candidates had to prepare the profit and loss appropriation account and an extract of statement of financial position showing the capital and reserves section and answer related theory questions.
- 4 This question covered the topic of bad debts and provision for doubtful debts. Candidates had to prepare the bad debts and provision for doubtful debts and answer related theory questions.
- 5 Candidates were expected to classify, state formulas, calculate and interpret the accounting ratios.
- 6 The question was based on correction of errors where candidates were required to explain 3 errors (Errors of Commission, original entry, and principle), prepare journal entries to correct errors, prepare a suspense account and show the effects of the corrected errors on the profit for the year.

### INTRODUCTION

The question paper comprised of six questions testing the knowledge and understanding, analysis and evaluation skills and has 120 marks. All the questions on this structured examination paper were compulsory and covered various topics on the syllabus.

Candidates are expected to use International Accounting Terminology and avoid the use of 'old' terminology such as 'net profit' etc.

### General Comments

The overall performance of candidates this year (2024) was good as compared to 2023. The candidates demonstrated their abilities well in knowledge and understanding of accounting facts, terms, principles, and techniques but performed poorly in application and evaluation questions.

In general candidates neatly presented their answers and were able to write within the space provided on the question paper. The candidates used correct layout in presentation of accounting records such as profit and loss appropriation account of a limited liability company and used correct formulas when calculating accounting ratios. Areas of weakness included preparation of income statement of a service business, provision of doubtful debts account, suspense account etc. The Centres are reminded on the following:

- Candidates should have a thorough knowledge of all topics on the syllabus as questions can be set from any section of the syllabus.
- Candidates should pay attention to details where a question asks for the preparation of ledger accounts, some candidates used incorrect details when preparing ledger accounts.



- It is important for candidates to date the entries when preparing ledger accounts as some candidates lost marks for dates.
- It is crucial for candidates to allocate their time effectively to cover all the required tasks.
- Candidates should note that if they provide workings some of the available marks maybe awarded even if the final figure is incorrect.
- Use of abbreviations such as 'bal b/d' or 'bl b/d' instead balance b/d or 'IS' or 'P&L' instead of the income statement or profit and loss in full are not allowed.

### Comments on Individual Items

- 1 (a) A sizeable number of the candidates answered this question well as they were clearly aware of the differences between a merchandised business and a service business. Some candidates stated that merchandised businesses produce and sell goods while in fact merchandised businesses do not produce goods, but rather they buy and sell goods. Some candidates confused a service business for a non-profit making organisation as they gave features of non-profit making organisation under a service business.
- (b) This question was well done by many candidates. A table had to be completed by placing a tick to show whether each item can appear in the financial statements of a merchandised business or a service business. Majority of candidates correctly identified that cost of sales and gross profit are both recorded under merchandised businesses but most of them failed to indicate that discount received also appears under financial statements of a service business. However, some candidates placed their ticks under both merchandised business and a service business for cost of sales and gross profit indicating that they are not aware that service businesses do not prepare the trading account section of the income statement.
- (c) Candidates were required to name two methods of depreciation other than the straight-line method that a trader could use to depreciate his non-current assets and to give one example of a non-current asset in each case which may be depreciated using the named method. Majority of candidates scored between 2 and 3 marks instead of 4 marks. They failed to give a correct example of non-current assets that can be depreciated using revaluation method. It was also observed that candidates who lost marks gave incomplete or incorrect names of both the reducing balance (diminishing balance) and revaluation methods of depreciation. For example, re-evaluation method instead of revaluation method.
- (d) Majority of candidates gave the correct advantage of using the straight-line method of depreciation. The most popular answer was "it is easy to calculate or use".
- (e) Using information provided candidates were required to prepare the income statement for the year ended 31 March 2024. Although well prepared candidates were able to score highly, many candidates found the preparation of the income statement of a service business to be challenging. Common errors included.
- Using incorrect format when preparing the income statement of a service business as some candidates prepared it as if they were preparing the income statement (trading, profit and loss account) for a merchandised business because they included sales and cost of sales



and gross profit in their answers. A horizontal format was used in some cases instead of the vertical format.

- Failure to make correct adjustment for the rent received in advance, as candidates wrote either the total amount of rent received of P4050 which included rent received in advance of P350 or added P3700 to the P4050 which was incorrect as the P3700 was the total amount of rent receivable for the whole year.
- Incorrect calculation of the profit or gain on disposal of equipment, The correct working expected from candidates  $P2800 - (6000 - 4000)$  to get P800 but many candidates gave their incorrect calculations.
- Most of the candidates also failed to calculate the depreciation of office equipment. Candidates were expected to calculate the depreciation from the date of purchase of office equipment resulting in the amount having to be calculated for only 6 months instead of a full year hence the calculation should have been  $(25\% \times P8000 \times 6/12) = P1000$ .
- Failure to show workings for adjustments.
- Omission of the question by some candidates

- 2 (a) The task required candidates to list four disadvantages of not maintaining a full set of accounting records. Many candidates earned high marks on this question and the most common answers included 'Not easy to calculate profit/loss made by the business' and 'Difficult to detect errors.'
- (b) This was generally well answered as majority of the candidates managed to score full marks on this question. Candidates had to state the difference between cash and credit purchases, and many provided excellent answers.
- (c) Again, this was generally well answered demonstrating a clear understanding of the reason why a trader received cash discount from the supplier. They were also able to provide the key words promptly, quickly, agreed time and shorter period in their answers which showed understanding of the concept.
- (d) Candidates were required to calculate amount received by a trader from her credit customers during the year ended 31 May 2024. Many candidates were able to earn good marks. Common errors included:
- Incorrect treatment of the figures for credit sales, opening and closing trade receivables and returns from credit customers.
  - Including cash sales 'P5000' in the calculation of the amount received from credit customers.
  - Use of incorrect figures, some candidates mixed figures for calculation of amount received from credit customers with figures used for calculating credit purchases.
  - Reversal of entries in the trade receivables control account by some candidates who used the control account to ascertain the bank amount (amount received from credit customers).

- Omission of the question by some candidates
- (e)** The calculation of a trader's credit purchases for the year ended 31 May 2024 was required. This question was poorly attempted by many candidates. Common errors in calculating credit purchases included:
- Incorrect treatment of figures for cheques paid to credit suppliers, discount received, opening and closing trade payables.
  - Using incorrect figures, some candidates used figures for calculating amount received from credit customers when calculating credit purchases.
  - Reversal of entries in the trade payables control account in cases where candidates used the control account to ascertain the figure for credit purchases.
  - Omission of the question by some candidates
- 3 (a)** Candidates had to state three differences between ordinary and debentures. A lot of candidates were able to provide excellent answers and gained good marks. Some candidates easily identified three differences. General answers such as 'debentures are paid first' and 'ordinary shares are paid last' without qualifying if it referred to the payment of interest/dividends or repayment following a 'winding up' procedure. Some candidates lost marks as they could not give comparative differences or giving responses that were vague.
- (b) (i)** The question required candidates to explain the meaning of limited liability. Most candidates were able to gain one mark of the available two marks for stating that shareholders assets are not at risk of being repossessed to pay the debts of the business and could not fully explain that the liability of shareholders for the debts of the company is limited to the amount of capital they have contributed or agreed to contribute as capital.
- (ii)** This was a challenging question as only few candidates could explain the meaning of capital reserves. The common incorrect response provided by candidates was 'profits set aside for future use' which is the meaning of reserves. The expected response from candidates was that 'capital reserves are reserves created from the capital profits of a company and are not readily available for distribution as dividends among the shareholders.
- (c)** Profit and loss appropriation account had to be prepared for a limited company. Many candidates scored good marks on the question and used a correct layout when preparing the profit and loss appropriation account. Better prepared candidates scored maximum marks. Common errors were:
- Incorrect treatment of items such as transfer to general reserve P8000, preference share dividend P5000 and ordinary share dividend P20000 which were added instead of subtracting them.
  - Incorrect calculation of the interim and final dividends for preference shares
  - Incorrect calculation of final ordinary share dividend
  - Failure to label the retained profit for the year and retained profit carried forward.

- Using a presentation where they add the retained profit from the previous year to the profit for the year. They lost a mark for the retained profit for the year.
  - Omission of the question by some candidates leaving blank spaces.
- (d) This task required candidates to prepare an extract from the statement of financial position at 30 June 2024 showing the capital and reserves section. The question was well attempted by a sizeable number of candidates. It clearly distinguished between the stronger responses, which often gained full marks and weaker responses that received no marks at all. Common errors included:

- Incorrect treatment of items for example some candidates subtracted general reserve instead of adding them.
- Failure to show the working for general reserves.
- Including the proposed dividends on the capital and reserves section of the statement of financial position extract.
- Using incorrect figure of retained profit from the previous year P27000 instead of retained profit carried forward (profit & loss account) P50000.
- Some candidates did not attempt the question.

- 4 (a) Candidates were required to suggest four ways in which the partners (Batho and Moabi) could decide on the amount of their provision for doubtful debts. Many candidates scored good marks from this question. Some candidates lost marks as they gave ways of reducing bad debts such as offering cash discounts to those who pay off their debt promptly, setting credit limit, assessing customers before selling to them on credit etc.

- (b) Using the information provided, candidates were required to prepare the bad debts and provision for doubtful debts accounts. Bad debts account- The task was well attempted by many candidates. Common errors in the preparation of bad debts account included:

- Using incorrect details such as 'Balance b/d' instead of writing Trade receivables/ Debtors.
- Using the wrong figure 'P20495' which is an amount for trade receivables instead of P495 for bad debt.
- Failure to show transfer to the income statement in the bad debt account.
- Use of abbreviations such as IS for income statement and P&L for profit and loss account.
- Entries in the account entered on the wrong side.
- Omission of the question by some candidates

**Provision for doubtful debts account-** The preparation of provision for doubtful debts proved to be challenging to majority of candidates. Few candidates who were well prepared scored highly on the question while majority of candidates lost marks. Common errors included:

- Using abbreviated details in their answers such as 'bal b/d' or 'bl b/d' instead balance b/d or wrote 'IS' or 'P&L' instead of the income statement or profit and loss account in full.
  - Incorrect calculation of the amount of provision for doubtful debts for the year ended 31 July 2024
  - Using incorrect details and figures
  - dates and years missing or incorrect.
  - Incorrect figure for provision for doubtful debts to be transferred to the income statement as some candidates wrote P600 instead of the actual increase which is P100. / Some candidates did not show a transfer to the income statement in the provision for doubtful debts account.
  - Failure to show the balance carried down and brought down in the provision for doubtful debts account.
  - Entries in the account entered on the wrong side.
  - Omission of the question by some candidates.
- (c) Candidates had to name two accounting concepts which the partners (Batho and Moabi) are applying by maintaining a provision for doubtful debts and give reasons in each. Many candidates were able to correctly name the accounting concepts which are prudence and matching/accrual concepts and scored the marks. However, candidates failed to give the correct reasons but rather gave definitions of the concepts. For example, some candidates wrote 'to match expenses incurred for the financial year with revenue incurred for the financial year' instead of writing 'to match the amount of sales for which the business is unlikely to be paid against the sales for the financial year in which the sales were made.'
- 5 (a) The task required candidates to complete the table by placing a tick under the correct heading to indicate whether each of the following ratios is a liquidity, efficiency, profitability, or capital structure ratio. This question was well attempted by a lot of candidates as they were able to correctly classify the liquidity, efficiency and profitability ratios and earned good marks. However, the debt ratio was incorrectly classified as either liquidity, efficiency or profitability ratio by many candidates showing lack of knowledge on capital structure ratios.
- (b) Majority of candidates were able to correctly state the formulas for quick ratio, rate of inventory turnover, return on capital employed and scored full marks. Common mistakes included:
- Writing the formula for the current ratio instead of the quick ratio
  - Incorrectly using the gross profit for the year instead of the profit for the year when writing the formula of return on capital employed.
- (c) Candidates had to calculate the current ratio, payment period of trade payables and percentage of profit for the year to sales.

**Current ratio-** The calculation of the current ratio was done well by many candidates they used the correct formula. Candidates seemed to be familiar with current ratio than other ratios. Common errors included:

- Failure to give the answer correct to two decimal places as it was instructed on the question paper.
- Incorrect formula used to calculate the current ratio.
- Omission of workings
- Failure to express the final answer correctly by some candidates as they wrote 2.03 or 1:2.03 instead of 2.03:1
- Omission of the question and left blank spaces by some candidates.

**Payment period of trade payables.** Again, majority of the candidates were able to use the correct formula to calculate the payment period of the trade payables. A high number of candidates scored maximum marks. Common errors included.

- Failure to give the answer rounded up to the next whole day. Some candidates wrote 49 days instead of 50 days.
- Failing to show the whole formula.
- omitting the workings
- Omission of the question by some candidates

**Percentage of profit for the year to sales –** A significant number of candidates also used the correct formula when calculating the percentage of profit for the year to sales ratio and scored good marks. Candidates lost marks because of the following.

- Incorrect calculation of the figures for profit for the year and Sales
  - Failing to show the full formula sometimes they omitted “x 100” when calculating the profit for the year as a percentage of sales.
  - Failure to give the answer correct to two decimal places as instructed on the question paper. Candidates were expected to give their answer as 5.09%.
  - omitting the workings
  - Failing to express their answer in percentages, some candidates were using the ‘Pula’ sign.
  - Omission of the question and left blank spaces by some candidates.
- (d) Most candidates attempted this task well as they were able to correctly state ways in which a trader could improve the percentage of profit for the year to sales and scored highly. The common incorrect responses from some candidates were to suggest credit control policies or ways of improving trade receivables collection period instead of ways of improving the percentage of profit for the year to sales.

(e) Again, this question was generally done well as many candidates were able to correctly name business people (excluding business owner Lorato) who would be interested in accounting ratios of the business. Few candidates lost marks as they wrote names of businesses and other people. It could be businesses in their areas or people whom they know.

6 (a) Candidates had to explain the error of commission, error of original entry and error of principle. Majority of the candidates scored 3 marks of the available 6 marks as they gave incomplete explanations for the errors. For example, error of commission, candidates explained it as an error that occurs when a transaction is recorded in the wrong account of the same class but failed to state that it is recorded using correct amount, on the correct side of the account. The same mistake was also repeated for the error of principle. Majority of candidates also scored 1 mark in explaining error of original entry as candidates explained it as an error that occurs when an incorrect figure is used when a transaction is first entered in the accounting records and but failed to state that the double entry is done using the incorrect figure.

(b) Candidates were required to prepare journal entries to correct errors 1 - 3. Many Candidates earned good marks from the question. Those candidates who had a thorough knowledge of double entry were able to provide good answers. Common errors included:

- Error 1 - Failure to double the amount when correcting error 1 which was an error of complete reversal of entries, candidates debited the Drawings account with P360 and credited the Cash account with P360 instead of debiting the Drawings account with P720 and crediting the Cash account with P720.
- Reversal of entries when correcting the errors. For example, when correcting Error 2- some candidates credited office equipment and debited office expenses rather than debiting office equipment and crediting office expenses.
- Using incorrect details or wrong account names. For example, when correcting Error 3 some candidates were crediting the suspense account rather than Thero's (credit supplier) account.
- Wrong presentation in the journal as some candidates were writing details on the debit and credit columns of the journal.
- Omission of the question by some candidates leaving blank spaces.

(c) A suspense account had to be prepared. This question was poorly attempted by many candidates. Common errors included.

- Not inserting the opening difference on the trial balance as the balancing figure
- Using incorrect details in their answers such as 'sales overcast' instead of 'sales'.
- Entries recorded on the wrong side of the suspense account. For example, some candidates debited suspense account for Error 5 Sales account had been overcast by P510 instead of crediting suspense account.
- Using incorrect figures for Error 6, which affected the returns inwards and returns outwards accounts.



- Inclusion of extraneous items when preparing the suspense account
  - Omission of the question by some candidates leaving blank spaces
- (d) This question required candidates to place a tick in the box to indicate the effect of correcting each of the errors 1 - 4 on the profit for the year and give a reason for their answer. Few candidates who were well prepared managed to score full marks, but majority of the candidates answered the question poorly as they could not correctly state the reasons how correcting the errors 2 - 4 will affect the profit for the year. Most of the candidates wrote that correcting the error affects profit for the year without indicating clearly how it affects the profit for the year, whether it is increasing or decreasing. For example, 'Error 2 the candidates were expected to tick increase and give this reason, by correcting the error, the operating expenses/ office expenses are being reduced and this will increase the profit for the year'.