



## EXAMINATIONS COUNCIL OF ZAMBIA

JUNIOR SECONDARY SCHOOL LEAVING EXAMINATION (GRADE 9) – 2016

# Business Studies 609/1

(INTERNAL & EXTERNAL CANDIDATES)

**Time: 2 hours and 30 minutes**

**Marks: 100**

### Instructions to candidates

- 1 There are three (3) sections in this paper, Sections A, B and C.
- 2 Answer all the questions.
- 3 All answers for this examination must be written in the Answer Booklet provided.
- 4 **Section A:** Four suggested answers are given A B C and D. choose the best one and show it in the space provided by marking on it with a cross (X)

For example if the answer is D

A	B	C	D
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**Section B and C:** Write the answers in the Answer Booklet provided.

- 5 You are given ten (10) minutes to: write your name, candidate number, school/centre name and code on the Answer Booklet and read through the paper.
- 6 Do not start writing until you are told to do so.

### Information for Candidates

Non programmable calculators may be used.

Cell phones are not allowed in the examination room.

**DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO.**

## SECTION A

Answer all the questions in this section in the answer booklet provided by putting a cross (x) on the letter you have chosen as your answer.

- 1 An office that is small and only allows one or two people to work from it is ...
  - A an open ended office.
  - B a dispensary.
  - C a staff room.
  - D a closed plan office.
  
- 2 Files which enable many records to be in wallets or pockets around a central vertical pillar are ...
  - A pending files.
  - B circular rotary files.
  - C dead files.
  - D box files.
  
- 3 Hard work and innovativeness are good qualities of ...
  - A a receptionist.
  - B a family.
  - C an entrepreneur.
  - D a community.
  
- 4 Which of the following is **not** one of the good ways of managing business financial resources?
  - A Ensuring that there are financial controls through budget preparation and implementation.
  - B Ensuring that all business funds are deposited in the bank for safe keeping and withdrawn only when required.
  - C Ensuring that a good and transparent financial record is maintained.
  - D Ensuring that none of the business creditors are paid.
  
- 5 ... is used to make several copies from a stencil.
  - A Teleprinter
  - B Franking machine
  - C Ink duplicator.
  - D Photocopier.
  
- 6 State the type of business transaction involved when payments and receipts are made by cheque in the exchange of good and services.
  - A Bank transaction.
  - B Credit transaction.
  - C Barter transaction.
  - D Bata transaction.

- 7 A catalogue is a good example of ...  
**A** a quotation.  
**B** an order.  
**C** an invoice.  
**D** a receipt
- 8 The source document for the cash book is the ...  
**A** Invoice.  
**B** Debit note.  
**C** Receipt.  
**D** Credit note.
- 9 A book in which we record money meant for smaller expenditure on a day to day running of a business is called a ...  
**A** Purchases Day Book.  
**B** Cash book.  
**C** Petty Cash Book.  
**D** Sales Day Book.
- 10 Motor vehicle account is an example of ...  
**A** Real Account.  
**B** Nominal Account.  
**C** Personal Account.  
**D** Impersonal Account.
- 11 In which ledger would the purchases account be recorded?  
**A** Purchases Ledger.  
**B** Sales Ledger.  
**C** Creditors Ledger.  
**D** Nominal Ledger.
- 12 Given that purchases amount to K82,000; cost of goods sold is at K90,000; and the opening stock valued at K45,000, calculate the value of closing stock.  
**A** K37 000  
**B** K8 000  
**C** K45 000  
**D** K127 000
- 13 Mr Mwale works for Mika Company. He is entitled to an income of : Salary K450, Housing Allowance of K45, Education Allowance of K25, Deductions: Union fees of K30; PAYE K20. How much is his take home pay?  
**A** K520  
**B** K470  
**C** K750  
**D** K570

82 000  
 90 000  
 45 000  
 -----  
 217 000

- 14 Which one of the following is **not** a requirement for ensuring good Personal Financial management?
- A Savings.
  - B Excessive borrowing.
  - C Budgeting.
  - D Investments.
- 15 One of the functions of the Central Bank is to ...
- A issue notes and coins.
  - B provide ATM facilities to all customers.
  - C issue cheques to the members of the public.
  - D lend money to members of the public.
- 16 Phones that can be carried to any place and are connected wirelessly are ...
- A Audio phones.
  - B Land lines.
  - C Text phones.
  - D Cell phones.
- 17 The abbreviation Co stands for ...
- A Common operation.
  - B Compound.
  - C Company.
  - D Co-operative.
- 18 Mr Banda is in-charge of keeping a record of incoming and outgoing files within the organisation, identify his position in the organisation.
- A Accounts Clerk.
  - B Registry Clerk.
  - C Sales Clerk.
  - D Sales representative.
- 19 BM motor Company Limited has survived for a long period of time because it keeps on coming up with improved models of motor vehicles. In relation to this, identify the entrepreneurial trait that can be attributed to BM Motor Company.
- A Open to criticism.
  - B Creativity.
  - C Risk taker.
  - D Innovative.
- 20 Mr Wali wishes to obtain an overdraft from his Bank. He was advised that this facility is only offered to certain account holders. Identify the type of account that Mr Wali should open to qualify for an overdraft.
- A Current Account.
  - B Savings Account.
  - C Deposit Account.
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[20 marks]

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[20 marks]

**SECTION B**

**Answer all the questions in this section. Write your answers in the Answer Booklet in the spaces provided.**

- 1** From the given list below identify the correct answers for the following questions.
- (a) (i) Mr Mambwe is a mechanical engineer at K. M. Company Limited. To which department does he belong? [1]
- (ii) Socially acceptable formal relations or behaviour among employees in a work place is termed as ... [1]
- WORD LIST:**  
Production Department, Attitude, Loyalty, Etiquette, Maintenance Department.
- (b) Arrange the following names alphabetically. [2]
- (i) Sonalaji M. J.  
(ii) Gondwe L. N.  
(iii) Chikumbutso V.J.  
(iv) Richards A.
- (c) State whether the following are "True or False".
- (i) Railex refers to mail sent by train. [1]
- (ii) Facsimile is used for sending only typed work from one location to another. [1]
- (d) The following are rates of pay which are used for calculating pay depending on the nature of the work. Select the correct answer from the word list. [4]
- (i) An employee is paid a fixed sum of money per each hour that is worked.  
(ii) This is based on the principle that any extra output should be shared between the worker and the employer.  
(iii) This is when an employee is paid a fixed agreed sum of money for a week, month or a year.  
(iv) This is an allowance given to an agent who does work on behalf of someone.

**WORD LIST:**

Time card, flat rate, wage sheet, time rate, payslip, bonus rate, statutory deductions, commission rate.

**[Total: 10 marks]**

2 (a) Complete the following sentences by stating whether the statement is "True" or "False".

(i) Exchange of 5 goats for 1 cow is a Barter Transaction. [1]

(ii) Receiving a cheque from Peggy for payment for goods sold to her is a Credit transaction. [1]

(b) Study the document below and answer the questions that follow:

**Statement of Account**

				Date: 18/11/2014
Chamo Ltd P.O. BOX 50924 Lusaka				
Maya Pvt School P.O. Box 90745 Mkushi				
Date	Description	Debit	Credit	Balance
01/05/09	Balance			2 500
06/05/09	Cheque 101		450	(a)
20/05/09	Invoice no. 709	850		(b)
31/05/09	Credit Note		(c)	2 780

(i) How much was the closing balance on 6/05/09 (a). [1]

(ii) How much was the balance on 20/05/09 (b). [1]

(iii) Calculate the value of the credit entry (c). [1]

(c) Complete the table below. [3]

S/N	Book of Original Entry	Source Document
(i)	Cash book	(a)
(ii)	Purchases Day Book	(b)
(iii)	Sales Return Day Book	(c)

(d) What do the letter C.C. stand for? [1]

(e) Classify the following items into Real, Personal or Nominal Account.

(i) Motor Expenses Account.

(ii) Zesco Limited Account.

(iii) Fixture and Fittings Account.

(iv) Malakata's Account. [2]

(f) The following Account appeared in L. Hamooya's Ledger in the month of December, 2014.

**A. BINGA'S ACCOUNT**

Date	Details	F	Debit	Credit
Dec. 2014				
1	Balance	b/f	3 550	
15	Sales		45 060	
20	Returns inward			(a)
25	Discount Allowed			6 500
30	Cash			31 540
31	Balance	c/d		5 000
			?	(b)
1/1/15	Balance	b/d	5 000	

(i) Is Binga a Debtor or Creditor? [1]

(ii) Calculate the missing figure of 'Returns inward' on December 20, 2014, in (a). [1]

(iii) What are the totals for Binga's Ledger Account in (b)? [1]

(iv) In which ledger would Binga's Account be found? [1]

**[Total: 15 marks]**

3 (a) State whether the following statements are "True or False".

(i) A business plan is used for sourcing loans from lending institutions. [1]

(ii) A business plan helps to start up the business. [1]



- (iii) A company is required to submit the Memorandum of Association to the Registrar of Companies before registering the business. [1]
  - (iv) A partnership business is required to submit an Articles of Association to the Registrar of Companies. [1]
  - (v) A business plan assist the business to determine the viability of a business idea. [1]
- (b) Use the word list below to fill in the missing phrase in the following statements:
- (i) A budget acts as a ... on what and when to spend in an organisation.
  - (ii) The budget acts as a ... in limiting on unnecessary expenditure in an organisation.
  - (iii) A budget promotes ... to enhance openness and honesty in the manner finances in an organisation are being spent.

**Word list:**

- Shares, Guide, Bonds, Control measure, Transparency. [3]
- (c) Njekwa gets K4 650 per month, he spends  $\frac{3}{4}$  (three quarters) of his total salary per month. How much is his total budget of expenses per month. [2]
- (d) (i) Study the diagram below and answer the questions that follow:

14-00-44	
<b>MADDI BANK ZAMBIA LIMITED</b>	
Date: 20/10/15	
Pay: Mwandila Mweene	or order
The sum of Two Thousand Kwacha only	
<b>K 2000</b>	
L. Mweetwa	
097411.140044.0474117	

Identify the **Drawer** and **Drawee** in the diagram above. [2]

- (ii) Mapalo Siwo deposited K100 notes amounting to K1 500 in his bank account on 30<sup>th</sup> June, 2015, you are required to fill in the deposit slip shown below.

DEPOSIT SLIP		
Account Name: <i>Mapalo Siwo</i>		
Account Number: 04111720112167		
Branch: Ndola		
Date: <i>30<sup>th</sup> June 2015</i>		
Notes	Amount (K)	Ngwee (N)
K100	<i>15</i>	
K50		
K20	<i>5</i>	
K10		
K5		
K2		
K1		
Total	<i>1500</i>	<i>22</i>
Amount in words: <i>One thousand five hundred and twenty two</i>		
Customer Signature <i>M.S</i>		Bank teller's Signature <i>E.C</i>

[3]

[Total: 15 marks]

*1500.22*  
*one thousand five hundred twenty two*

*K1500*  
*K100 note K1000*  
*K50 note K 200*  
*K20 note K 300*

**SECTION C**

Answer all questions in this section in the Answer Booklet provided.

- 1 Enter the following information into E. Hamankolo's cash accounts for the month of January, 2014 and balance off the account.

January 1	Started business with K9 000 cash in hand.	
January 3	Bought goods for cash K2 000	
January 8	Paid rent by cash K1 500	
January 10	Sold good K3 000 cash	
January 17	Paid Sundry Expenses by cash K550	
January 25	Cash purchases K1 500	
January 31	Bought motor vehicle by cash K2 000.	[10]

- 2 The following Trial Balance was extracted by Hampeyo on 31<sup>st</sup> December, 2014, failed to agree.

**Trial balance as at 31<sup>st</sup> December, 2014.**

DETAILS	DR (K)	CR (K)
Sales	150 140	
Machinery		74 800
Debtors	15 200	
Creditors	<del>8 500</del>	8 550
Rent and Rates		2 100
Carriage outwards		3 500
Purchases		90 500
Capital	<del>25 000</del>	<del>25 000</del>
Bank overdraft	2 460	2 460
	<b>176 300</b>	<b>195 900</b>

1192,800

**Required**

Re-draft a corrected version of Hampeyo's Trial Balance as at 31<sup>st</sup> December, 2014.

[10]

190340  
181864

- 3 The following balances extracted from the books of Mvunga as at 31 December 2014.

	K
Bank loan	1000
Capital	5167
Debtors	2160
Creditors	1 285
Wages and salaries	450
Buildings	1953
Stock on 31 <sup>st</sup> December, 2014	1950
Discount Allowed	95
Discount Received	81
Drawings	980
Gross profit	3785
Cash in hand and at Bank	1372
Equipment	549
Commission Received	65
Plant and machinery	1540
Bad debts	64
Carriage outwards	96
Rent received	170
Stationery	127
Advertising expenses	217

**You are required to prepare**

- (a) The Profit and Loss Account for the year ending 31 December 2014. [10]  
 (b) A Balance Sheet as at 31 December 2014. [10]

**[Total: 20 marks]**