



# FIRM FOUNDATION COUNTRY SCHOOL

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CANDIDATE  
NAME

CANDIDATE  
CLASS

**ACCOUNTING**

**0452**

**TERM 1 2026**

**FORM 2**

Candidates answer on the Question Paper.

No Additional Materials are required.

## **READ THESE INSTRUCTIONS FIRST**

Write your candidate name and candidate class in the spaces on top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any drawings or graphs.

Do not use staples, paper clips, glue or correction fluid.

**DO NOT WRITE IN ANY BARCODES.**

## **GUIDE TO CORRECT WORKINGS**

The corrected trial balance for Question 1 balances with **NO** suspense account

Net profit for Question 2 is \$112900.

Net profit for Question 3 is \$9365.

Answer all questions.

**You may use a calculator.**

Where layouts are to be completed, you may not need all the lines for your answer.

The businesses mentioned in this Question Paper are fictitious.

The total mark for this paper is 30.

The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **8** pages.

**[Turnover**

- 1 Neith is a trader. Her financial year ends on 31 December.  
Neith prepared the following trial balance which contains errors.

Neith		
Trial Balance at 31 December 2024		
	Debit	Credit
	\$	\$
Fixtures and equipment at cost	300 000	
Provision for depreciation of fixtures and equipment	120 000	
Inventory		9 100
Trade receivables		16 100
Provision for doubtful debts	322	
Petty cash	100	
Bank overdraft	11 400	
Trade payables		3 200
Capital at 1 January 2024		163 600
Sales		107 498
Purchases	41 520	
Rent and rates	16 000	
Office expenses	9 000	
General expenses	8 150	
Suspense		206 994
	506 492	506 492

Additional information

- 1 The value of inventory on 31 December 2024 was included in the trial balance.  
On 1 January 2024 the inventory was valued at \$8800.
- 2 On 30 December 2024, a motor vehicle was sold for \$2750. The disposal was correctly recorded but no entry was made in the account of the purchaser. The purchaser was expected to pay the amount due on 31 January 2025.

**REQUIRED**

Prepare the corrected trial balance at 31 December 2024.

Neith  
Corrected Trial Balance at 31 December 2024

	Debit \$	Credit \$
Fixtures and equipment at cost	.....	.....
Provision for depreciation of fixtures and equipment	.....	.....
Inventory	.....	.....
Trade receivables	.....	.....
Provision for doubtful debts	.....	.....
Petty cash	.....	.....
Bank overdraft	.....	.....
Trade payables	.....	.....
Capital at 1 January 2024	.....	.....
Sales	.....	.....
Purchases	.....	.....
Rent and rates	.....	.....
Office expenses	.....	.....
General expenses	.....	.....
.....	.....	.....
	.....	.....

[6]

## 2 JP Limited's financial year ended on 31 December 2024.

The following balances were available at that date.

	\$
7% Loan	20 000
Administrative expenses	44 000
Carriage inwards	1 500
Carriage outwards	38 000
Loan interest paid	700
Inventory at 1 January 2024	66 000
Non-current assets at carrying amount at 1 January 2024	610 000
Provision for doubtful debts	1 000
Purchases	263 000
Revenue	529 500
Trade receivables	80 500

## Additional information

- 1 Inventory at 31 December 2024 was valued at \$59 000.
- 2 Interest on the 7% Loan had been paid up to 30 June 2024.
- 3 Administrative expenses included rates of \$1200 for the six months ending 30 June 2025.
- 4 Carriage outwards of \$800 were outstanding at 31 December 2024.
- 5 Non-current assets should be depreciated by 10% per annum using the reducing balance method.
- 6 Irrecoverable debts of \$500 are to be written off.
- 7 The directors wish to maintain the provision for doubtful debts at 2% of trade receivables.

**REQUIRED**

(a) Calculate the cost of sales for the year ended 31 December 2024.

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.....  
.....  
.....  
.....  
.....  
.....  
..... [2]

(b) Calculate the increase or decrease in the provision for doubtful debts at 31 December 2024.

.....  
.....  
.....  
.....  
.....  
..... [2]



- 3 The trial balance of HV Limited at 31 December 2024 was as follows.

	Trial Balance at 31 December 2024	
	HV Limited	
	Debit	Credit
	\$	\$
Revenue		145 000
Inventory at 1 January 2024	5 820	
Purchases	64 900	
Rent and insurance	9 280	
Wages	24 750	
Operating expenses	8 500	
Fittings at cost	200 000	
Provision for depreciation of fittings		72 000
Trade receivables	12 500	
Bank	13 765	
Trade payables		6 615
4% Loan		30 000
Capital		70 000
Other payables		21 500
Cash in hand	5 600	
	<u>345 115</u>	<u>345 115</u>

#### Additional information

- Inventory at 31 December 2024 was valued at \$6090.
- Depreciation on fittings is to be charged at 20% per annum using the reducing balance method.
- Rent includes a payment of \$1800 for the 3 months from 1 December 2024 to 28 February 2025.
- Accrued wages at 31 December 2024 were \$2250.
- No loan interest has been paid for the year ended 31 December 2024.
- Operating expenses includes an amount of \$600 for carriage on sales.
- A provision for doubtful debts of 5% of trade receivables is to be created on 31 December 2024.

