

**G9 ECZ
BUSINESS
STUDIES
2020 SPECIMEN
PAPER 1
SOLUTIONS**

Grade 9 ECZ Business Studies 2020 Specimen Paper 1 (609/1)

2 hours 30 minutes | Section A: MCQ | Section B & C: office practice, bookkeeping and entrepreneurship

The full question paper appears first -- worked answers follow. The scan's last page was found relocated to the front; no content was lost.

- 2 On 31st August, 2018 an Incompetent Book-Keeper had prepared Mbewe's Trial Balance which failed to balance.

Mbewe's Trial Balance as at 31st August 2018

Details	Debit	N	Credit	N
Purchases			9 950	00
Capital			8 500	00
Sales	18 700	00		
Motor vehicle			5 000	00
General Expenses	1 800	00		
Wages			2 200	00
Debtors	6 600	00		
Creditors			2 750	00
Cash in hand	4 400	00		
	31 500	00	28 400	00

Required

Redraft a Trial Balance

[10]

- 3 The following balances appeared in Chali's Trial Balance as at 31st December 2018.

	K
Sales	42 800.00
Purchases	16 000.00
Stock (01/01/18)	4 700.00
Returns Inwards	310.00
Returns Outwards	430.00
Carriage Inwards	K800.00
Stock (31/12/18)	2 500.00
Debtors	3 770.00
Drawings	7 000.00
Sundry Expenses	5 080.00
Land and Buildings	60 000.00
Wages and Salaries	10 310.00
Office Equipment	8 500.00
Discount Allowed	330.00
Commission Received	660.00
Creditors	2 870.00
Capital	72 810.00
Cash in Hand	3 080.00

Required Prepare a

- (i) Trading, Profit and Loss Account.
(ii) Balance Sheet

[10½]

[9½]

[20 marks]

[Total: 45 marks]



EXAMINATIONS COUNCIL OF ZAMBIA

JUNIOR SECONDARY SCHOOL LEAVING EXAMINATION (GRADE 9) – 2020

Business Studies 609/1
Specimen

(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 online office can also be known as ... office.
A a closed
B an open
C a lateral
D a virtual
- 2 The filing of documents according to places is known as ...
A Alphabetical.
B Geographical.
C Numerical.
D Subject.
- 3 Which type of business is owned and controlled by its members who are also customers of the business?
A Sole Trader
B Partnership
C Cooperative
D Company
- 4 A ... shows the financial position of an organisation.
A Balance Sheet
B Balanced Sheet
C Business Sheet
D Business Plan
- 5 A machine which is used for arranging papers in their correct order is called a ...
A shredder.
B computer.
C guillotine.
D collator.
- 6 An exchange of 4 books for one calculator is known as a ... transaction.
A bank
B barter
C cash
D credit

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- 7 The Business Document which gives an approximate cost of a job is known as ...
- A a catalogue.
 - B an estimate.
 - C a quotation.
 - D a tender.
- 8 Which of the following is a source document for small cash transactions?
- A Cash Sale Slip
 - B Cheque
 - C Cheque stub
 - D Petty Cash Voucher
- 9 The Subsidiary Book for assets bought on credit for resale are recorded in a ...
- A Cash Book.
 - B General Journal.
 - C Purchases Journal.
 - D Sales Journal.
- 10 Which of the following is classified as a Real Account?
- A Motor Vehicle Account
 - B Motor Expenses Account
 - C Office Expenses Account
 - D Stationary Account
- 11 A customer's personal Account is recorded in a ... Ledger.
- A Creditors
 - B Debtors
 - C General
 - D Nominal
- 12 Chandwe's Books of Accounts showed the following: Net loss K2 000.00; Drawings K1 500.00, Closing Capital K4 500.00. Calculate the Opening Capital.
- A K4 000.00
 - B K5 000.00
 - C K6 000.00
 - D K8 000.00

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- 13 Mapulanga is entitled to a Basic Pay of K4 500.00 and Housing Allowance of K500.00, the PAYE contribution is K250.00. Calculate the Net Pay.
- A K5 250.00
 - B K5 000.00
 - C K4 750.00
 - D K3 750.00
- 14 The method of investment known as a "debt security" is called ...
- A a bond.
 - B an entrepreneurship.
 - C farming.
 - D a share.
- 15 A Financial institution which specialises in provision of banking services to low income groups or individuals is called a ...
- A Bureau de Change.
 - B Building Society.
 - C Commercial Bank.
 - D Micro Finance Company.
- 16 A ... allows one to send a telegram message through a Telephone Operator.
- A fascimile
 - B phonogram
 - C radio message
 - D telex
- 17 What do the letters ".com" stand for?
- A Common Organisation
 - B Community Organisation
 - C Commerical Organisation
 - D Company Organisation
- 18 Kalenga is an honest hardworking and trustworthy worker which office etiquette does Kalenga possess?
- A Responsibility
 - B Reliability
 - C Loyalty
 - D Courtesy

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- 19 A business organisation can be analysed by its strengths, weaknesses, Opportunities and Threats. Which statement shows the strength of a business?
- A The entry of a new competitor.
 - B An increase in the number of customers.
 - C The good quality of a product.
 - D The poor quality of a product.
- 20 BMD company pays its employee's salaries directly into Employee's bank accounts. Which banking service does it use?
- A Bank Transfer
 - B Credit Transfer
 - C Direct Debit
 - D Standing Order

[20 marks]

SECTION B

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

- 1 (a) Arrange the following in Chronological order.
- (i) Received a promotion letter for Akufuna on 20th May 2018. [1]
 - (ii) Received a Bank Statement from BDA Bank on 1st May 2018. [1]
 - (iii) Received a Transfer letter for Chanda on 24th May 2018. [1]
 - (iv) Received a Retirement letter for Zimba on 10th May 2018. [1]
- (b) Use the word list to answer the questions below.

Word list

Facsimile, Telex, Franking, Post boxes, Internet, Free post

- (i) GMK Company usually posts its company information such as pictures of the goods it makes and videos of how the goods are made. Which Telecommunication service does it use? [1]
 - (ii) The Registry clerk of J.M University usually sends mails to students with postal impressions instead of Postal stamps which postal service is used? [1]
- (c) State whether the following statements are "True or False"
- (i) A salary is calculated according to the hours worked by a worker. [1]
 - (ii) A net pay is the amount one gets after deductions. [1]
 - (iii) A wage is paid to unskilled workers. [1]
 - (iv) A time card shows the amount of money one should get at the end of the month. [1]

[Total: 10 marks]

[Turn over]

- 2 (a) Chulu works as a stores officer for BMK Zambia Ltd and on 20th September 2018, the following goods were received which were in good condition from KMD Enterprises Ltd.

10 boxes of washing soap, Reference No 145

20 Reams of paper, Reference No 160.

Required to:

Fill in a Goods Received Note.

[5]

- (b) M & M Dealers discovered that the Invoice Note that was sent to J & D Enterprise LTD on 3rd November 2018 was undercharged for two items which were on the Invoice Note.

2 × 50kg bags of maize at K150.00 each.

3 × 20kg bags of groundnut at K50.00 each.

Required to:

Fill in the Debit Note

[5]

[Total: 10 marks]

- 3 (a) Match the Items in Column A with those in Column B.

Column A

Column B

(i) Executive Summary

(i) Shows the total Capital to invested in the business.

(ii) Form of Business

(ii) Contains information of start up costs and operational costs.

(iii) Marketing Plan

(iii) Shows the type of business organisation.

(iv) Financial Plan

(iv) Gives a general description of the business plan's contents.

(v) Required Capital

(v) Describes the products or services the business will sell.

[5]

- (b) The following information relates to Likuwa for the month of March 2018.

	K	N
Salary	4 000.00	
Rentals Received	2 000.00	
Food and Groceries	3 000.00	
General Expenses	1 500.00	

Required:

Prepare Likuwa's budget for the Month.

[5]

- (c) JVB Bank Ltd issued a Debit Card to Chikwenda N. which contained the following information: Card Number 2600 4195 0010, valid from 1/01/2018 and expires on 26/01/2030.

Required:

Fill in the Debit Card

[5]

[Total: 15 marks]

SECTION C

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

- 1 (a) On 1st June, 2018, Likanda started business with K8 245.00 cash in hand and K18 300.00 cash at bank.
- June 5 bought furniture by cheque K15 840.00.
- June 12 Cash sales K7 805.00.
- June 26 paid wages by cash K7 130.00.

Required:

Prepare a Two Column Cash Book.

[10]

- (b) Changala bought goods from Moono in the month of May 2018.

May 1 Balance b/f K4 000.00.

May 10 Credit sales K5 000.00.

May 26 Cheque payment of K6 000.00.

Required:

Prepare Changala's Account in Moono's Books of Account.

[5]

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[Total: 15 marks]

Question 1. An online office can also be known as ... office. (A) a closed (B) an open (C) a lateral (D) a virtual

Answer: D -- an office operating online, without a physical shared location, is a virtual office.

Question 2. The filing of documents according to places is known as ... (A) Alphabetical (B) Geographical (C) Numerical (D) Subject

Answer: B -- filing by location/place is geographical filing.

Question 3. Which type of business is owned and controlled by its members who are also customers of the business? (A) Sole Trader (B) Partnership (C) Cooperative (D) Company

Answer: C -- a cooperative is owned and controlled by its members, who are also its customers.

Question 4. A ... shows the financial position of an organisation. (A) Balance Sheet (B) Balanced Sheet (C) Business Sheet (D) Business Plan

Answer: A -- a Balance Sheet shows an organisation's financial position (assets, liabilities and capital) at a point in time.

Question 5. A machine which is used for arranging papers in their correct order is called a ... (A) shredder (B) computer (C) guillotine (D) collator

Answer: D -- a collator arranges/gathers papers into their correct order.

Question 6. An exchange of 4 books for one calculator is known as a ... transaction. (A) bank (B) barter (C) cash (D) credit

Answer: B -- exchanging goods directly for other goods (books for a calculator) is barter.

Question 7. The Business Document which gives an approximate cost of a job is known as ... (A) a catalogue (B) an estimate (C) a quotation (D) a tender

Answer: B -- an estimate gives an approximate cost of a job.

Question 8. Which of the following is a source document for small cash transactions? (A) Cash Sale Slip (B) Cheque (C) Cheque stub (D) Petty Cash Voucher

Answer: D -- a Petty Cash Voucher is the source document for small cash payments.

Question 9. The Subsidiary Book for assets bought on credit for resale are recorded in a ... (A) Cash Book (B) General Journal (C) Purchases Journal (D) Sales Journal

Answer: C -- goods (assets for resale) bought on credit are recorded in the Purchases Journal.

Question 10. Which of the following is classified as a Real Account? (A) Motor Vehicle Account (B) Motor Expenses Account (C) Office Expenses Account (D) Stationary Account

Answer: A -- a Motor Vehicle is a tangible asset, recorded in a Real Account; the others are expense (Nominal) accounts.

Question 11. A customer's personal Account is recorded in a ... Ledger. (A) Creditors (B) Debtors (C) General (D) Nominal

Answer: B -- a customer's (debtor's) personal account is recorded in the Debtors Ledger.

Question 12. Chandwe's Books of Accounts showed the following: Net loss K2 000.00; Drawings K1 500.00, Closing Capital K4 500.00. Calculate the Opening Capital. (A) K4 000.00 (B) K5 000.00 (C) K6 000.00 (D) K8 000.00

Answer: D -- Opening Capital = Closing Capital + Net loss + Drawings = K4 500.00 + K2 000.00 + K1 500.00 = K8 000.00.

Question 13. Mapulanga is entitled to a Basic Pay of K4 500.00 and Housing Allowance of K500.00, the PAYE contribution is K250.00. Calculate the Net Pay. (A) K5 250.00 (B) K5 000.00 (C) K4 750.00 (D) K3 750.00

Answer: C -- Gross pay = K4 500.00 + K500.00 = K5 000.00; Net Pay = K5 000.00 - K250.00 (PAYE) = K4 750.00.

Question 14. The method of investment known as a 'debt security' is called ... (A) a bond (B) an entrepreneurship (C) farming (D) a share

Answer: A -- a bond is a debt security (the issuer owes the holder a debt and repays it with interest).

Question 15. A Financial institution which specialises in provision of banking services to low income groups or individuals is called a ... (A) Bureau de Change (B) Building Society (C) Commercial Bank (D) Micro Finance Company

Answer: D -- Micro Finance Companies specialise in providing banking/financial services to low-income individuals and groups.

Question 16. A ... allows one to send a telegram message through a Telephone Operator. (A) fascimile (B) phonogram (C) radio message (D) telex

Answer: B -- a phonogram is a telegram-style message dictated by phone through a Telephone Operator.

Question 17. What do the letters '.com' stand for? (A) Common Organisation (B) Community Organisation (C) Commerical Organisation (D) Company Organisation

Answer: C -- '.com' stands for Commercial Organisation (a commercial/business website domain).

Question 18. Kalenga is an honest, hardworking and trustworthy worker. Which office etiquette does Kalenga possess? (A) Responsibility (B) Reliability (C) Loyalty (D) Courtesy

Answer: B -- being honest, hardworking and trustworthy describes reliability.

Question 19. A business organisation can be analysed by its strengths, weaknesses, Opportunities and Threats. Which statement shows the strength of a business? (A) The entry of a new competitor (B) An increase in the number of customers (C) The good quality of a product (D) The poor quality of a product

Answer: C -- good product quality is an internal strength of the business.

Question 20. BMD company pays its employee's salaries directly into Employee's bank accounts. Which banking service does it use? (A) Bank Transfer (B) Credit Transfer (C) Direct Debit (D) Standing Order

Answer: A -- paying salaries directly into employees' bank accounts is done via a Bank Transfer.

Question Section B - Q1. (a) Arrange the following in Chronological order: (i) Received a promotion letter for Akufuna on 20th May 2018 (ii) Received a Bank Statement from BDA Bank on 1st May 2018 (iii) Received a Transfer letter for Chanda on 24th May 2018 (iv) Received a Retirement letter for Zimba on 10th May 2018. [4] (b) Use the word list (Fascimile, Telex, Franking, Post boxes, Internet, Free post) to answer: (i) GMK Company usually posts its company information such as pictures of the goods it makes and videos of how the goods are made. Which Telecommunication service does it use? [1] (ii) The Registry clerk of J.M University usually sends mails to students with postal impressions instead of Postal stamps. Which postal service is used? [1] (c) State whether the following statements are True or False: (i) A salary is calculated according to the hours worked by a worker. [1] (ii) A net pay is the amount one gets after deductions. [1] (iii) A wage is paid to unskilled workers. [1] (iv) A time card shows the amount of money one should get at the end of the month. [1]

(a)

Answer: In chronological order: (ii) Bank Statement from BDA Bank, 1st May 2018; (iv) Retirement letter for Zimba, 10th May 2018; (i) Promotion letter for Akufuna, 20th May 2018; (iii) Transfer letter for Chanda, 24th May 2018.

(b)(i)

Answer: Internet.

(b)(ii)

Answer: Franking (a franking machine impresses a postage mark instead of using stamps).

(c)(i)

Answer: False -- pay calculated according to hours worked describes a wage, not a salary (a salary is a fixed regular amount).

(c)(ii)

Answer: True -- net pay is indeed what remains after deductions are taken from gross pay.

(c)(iii)

Answer: True -- wages are typically paid to unskilled/manual workers, usually calculated by hours worked.

(c)(iv)

Answer: False -- a time card records the hours/time an employee worked, not the amount of money they should be paid.

Question Section B - Q2. (a) Chulu works as a stores officer for BMK Zambia Ltd and on 20th September 2018, the following goods were received in good condition from KMD Enterprises Ltd: 10 boxes of washing soap, Reference No 145; 20 Reams of paper, Reference No 160. Fill in a Goods Received Note. [5]
(b) M & M Dealers discovered that the Invoice Note sent to J & D Enterprise LTD on 3rd November 2018 was undercharged for two items: 2 x 50kg bags of maize at K150.00 each; 3 x 20kg bags of groundnuts at K50.00 each. Fill in the Debit Note. [5]

(a)

Answer: Goods Received Note: From KMD Enterprises Ltd, to BMK Zambia Ltd (received by Chulu, Stores Officer), dated 20 September 2018: 10 boxes of washing soap (Ref No. 145) and 20 Reams of paper (Ref No. 160), all received in good condition.

(b)

Answer: Debit Note from M & M Dealers to J & D Enterprise LTD, referencing the invoice dated 3 November 2018, for the undercharged amount: 2 x 50kg bags of maize at K150.00 each = K300.00, plus 3 x 20kg bags of groundnuts at K50.00 each = K150.00; total amount now additionally owed = K450.00.

Question Section B - Q3. (a) Match the items in Column A (Executive Summary; Form of Business; Marketing Plan; Financial Plan; Required Capital) with those in Column B (Shows the total Capital to be invested in the business; Contains information of start up costs and operational costs; Shows the type of business organisation; Gives a general description of the business plan's contents; Describes the products or services the business will sell). [5] **(b)** The following information relates to Likuwa for the month of March 2018: Salary K4 000.00; Rentals Received K2 000.00; Food and Groceries K3 000.00; General Expenses K1 500.00. Prepare Likuwa's budget for the Month. [5] **(c)** JVB Bank Ltd issued a Debit Card to Chikwenda N. which contained the following information: Card Number 2600 4195 0010, valid from 1/01/2018 and expires on 26/01/2030. Fill in the Debit Card. [5]

(a)

Answer: Executive Summary -> Gives a general description of the business plan's contents. Form of Business -> Shows the type of business organisation. Marketing Plan -> Describes the products or services the business will sell. Financial Plan -> Contains information of start up costs and operational costs. Required Capital -> Shows the total Capital to be invested in the business.

(b)

Answer: Likuwa's Budget, March 2018: Income -- Salary K4 000.00 + Rentals Received K2 000.00 = K6 000.00. Expenses -- Food and Groceries K3 000.00 + General Expenses K1 500.00 = K4 500.00. Balance (surplus) = K6 000.00 - K4 500.00 = K1 500.00.

(c)

Answer: Debit Card details: Cardholder -- Chikwenda N.; Card Number -- 2600 4195 0010; Bank -- JVB Bank Ltd; Valid from -- 01/2018; Expires -- 01/2030 (26/01/2030).

Question Section C - Q1. (a) On 1st June 2018, Likuwa started business with K8 245.00 cash in hand and K18 300.00 cash at bank. June 5 bought furniture by cheque K15 840.00. June 12 Cash sales K7 805.00. June 26 paid wages by cash K7 130.00. Prepare a Two Column Cash Book. [10] (b) Changala bought goods from Moono in the month of May 2018: May 1 Balance b/f K4 000.00. May 10 Credit sales K5 000.00. May 26 Cheque payment of K6 000.00. Prepare Changala's Account in Moono's Books of Account. [5]

(a)

Answer: Two Column Cash Book (Cash | Bank): Debit side -- June 1 Capital: Cash K8 245.00, Bank K18 300.00; June 12 Sales: Cash K7 805.00. Cash column debit total = K16 050.00; Bank column debit total = K18 300.00. Credit side -- June 5 Furniture: Bank K15 840.00; June 26 Wages: Cash K7 130.00. Cash column credit total = K7 130.00; Bank column credit total = K15 840.00. Balances c/d: Cash = K16 050.00 - K7 130.00 = K8 920.00; Bank = K18 300.00 - K15 840.00 = K2 460.00.

(b)

Answer: Changala's Account (a debtor) in Moono's books: Debit side -- May 1 Balance b/f K4 000.00; May 10 Sales K5 000.00 (total debit K9 000.00). Credit side -- May 26 Bank (cheque received) K6 000.00; Balance c/d K3 000.00 (total credit K9 000.00). Changala still owes Moono K3 000.00, brought down as the opening debit balance for June.

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