Preamble

Business Studies (606)

The Examinations Council of Zambia has developed the Grade 9 examination paper for Business Studies so as to be in line with the revised Junior Secondary School Curriculum of 2013 developed by Curriculum Development Centre (CDC) of the Ministry of Education, Science, Vocational Training and Early Education (MESVTEE). Business Studies is a new subject at this level and it is compulsory. It comprises office practice, bookkeeping and entrepreneurship.

The purpose of the specimen papers is to guide the teachers and would be candidates on the nature and content of the Grade 9 Business Studies examination which will begin to be administered in the 2015 examination session.

Assessment Aims and Objectives

The purpose of Business Studies examination is to assess learners against basic knowledge and understanding of office procedures, financial aspects and entrepreneurial ideas. The areas of assessment in each of the subject content are shown below;

Office

1. Identifying and/or stating functions and types of an office, Functions of each department, Job opportunities, equipment, stationery, Methods of filing,
2. Describing acceptable office etiquette and interpreting organisational charts, post and telecommunication services

Financial Aspects

1. Identifying and describing business transactions, Business and source documents, various methods of investments, financial institutions and services offered,
2. Explaining documents used in banking, recording, preparing and calculating Trial balance, Trading, Profit and loss account and balance sheet.
3. Explaining Capitals, time cards, wage sheets, payslips, net pays, the ledger, books of original entry.

Entrepreneurial Aspects

1. Explaining and describing entrepreneurship and qualities of a good entrepreneur.
2. Explaining Entrepreneurial activities, documents needed for formation of different types of business, contents and functions of
3. a business plan, financing businesses and Business sheet.
TIME: TWO AND HALF HOURS (2½)  MARKS: 100

INSTRUCTIONS TO CANDIDATES

1. 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.

2. There are three (3) sections in this paper, Sections A, B and C.

3. Answer all the questions.

4. All answers for this examination must be written in the Answer Booklet.

   **Section A:** Write the answer by marking a cross (X) on the Answer booklet provided.

   For example if the answer is D

   ![Answer Options]

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

5. 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.**

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This question paper consists of 10 printed pages.
Section A

Answer all the questions in this section in the answer booklet provided.

1. Which one of the following is not a function of an office?
   A. Computing data
   B. Analysing data
   C. Manipulating data
   D. Storing data

2. The filing of all documents of a firm in one common place is called • • •
   A. subjected filing.
   B. central filing.
   C. departmental filing.
   D. subjected filing.

3. An Entrepreneur is a person who • • •
   A. runs a business and bears risks.
   B. manages a big business
   C. employs workers in the business.
   D. organises business activities and shares of profits with other partners.

4. Which one of the following is not a reason that can lead to the dissolution of a company?
   A. Sharing profits
   B. End of time frame
   C. Pay back of start up capital
   D. End of financial year.

5. Which of the following is not an example of office equipment?
   A. stencil.
   B. stylus pen.
   C. shredder.
   D. guillotine.

6. The following are examples of business transactions:
   
   (i) Buying of goods and services while promising to pay for them later.
   (ii) Cash payment for insurance K12 500.
   (iii) The purchase of a motor van by cheque K45 000.
   (iv) The sale of goods on credit to G. Inonge worth K20 000.
   (v) Exchange 20kg salt for the same quantity of sugar.
Which of these transactions can be said to be credit transactions?
A (i) only
B (iv) only
C (i) and (iv)
D (i), (iv) and (v)

7 What business document can be used by the seller to remind the buyer about the amount of money owed for the goods and services earlier supplied?
A Statement of Accounts
B Invoice
C Advice note
D Credit note

8 The source document used to write up sales book is called •••
A original invoice.
B copy invoice.
C top invoice.
D copy credit note.

9 Goods bought on credit and meant for re-sale are first entered in the •••
A Purchases Account.
B Sales Account.
C Sales Journal.
D Purchases Journal.

10 Drawings Account is a good example of •••
A Real Account.
B Personal Account.
C Nominal Account.
D Real and Personal Account.

11 ••• is where customers accounts are recorded.
A Sales Ledger
B Purchases Ledger
C Suppliers Ledger
D General Ledger

12 If Bunda Malisa Holdings Limited recorded a gross profit of K1200 and a net profit of K900 at the end of the year. How much were the expenses?
A K2 100
B K300
C K2 400
D K1 800
13. The gross pay of a watchman is K2 500 and is required to pay 2% PAYE. How much does the worker take home?
   A. K2 500
   B. K50
   C. K2 450
   D. K2 550

14. Which of the following is not an example of a budget?
   A. Individual
   B. Home
   C. Country
   D. World

15. Which one of the following Bank Account is not an interest earning account?
   A. Deposit Account
   B. Current Account
   C. Savings Account
   D. Fixed Deposit Account

16. The postal service that allows a traveller to personally collect mail from the nearest post office while visiting another town is called
   A. Express mail.
   B. Business Reply Service.
   C. Poste Restante.
   D. Courier Services.

17. C.W.O is one of the methods of payment used by mail order business. What does C.W.O stand for?
   A. Cash with order
   B. Cash with orderly
   C. Carry with order
   D. Cash with own

18. In which department in the organisation would you find the quality controllers?
   A. Procurement Department
   B. Maintenance Department
   C. Purchases Department
   D. Production Department

19. Which one of the following is not an Enterprise found in the community?
   A. Poaching
   B. Hair Salons
   C. Dairy
   D. Butchery
By what means is money usually withdrawn from a current account?

A Credit slip
B Withdrawal slip
C Cheque
D Deposit slip

Section B
Answer all the questions in this section. Write your answers in the booklet in the spaces provided.

1 From the list below select the answers for the following questions.

(a) (i) Name the department which is responsible for changing raw materials into finished goods. [1]

(ii) Office workers must be submissive and faithful to their supervisors. [1]

WORD LIST:

Purchases Department, Raw Materials Department, Production Department, Sales Department. Appearance, loyalty, reliability, punctuality, courtesy.

(b) Arrange the following names alphabetically. [2]

(i) Queline K
(ii) Banda M
(iii) Zalina M
(iv) Mongolia C

(c) (i) Telex and fax both use _______ for transmitting the message. [1]

(ii) _____________ is a call whereby the receiver pays and not the sender. [1]

WORD LIST:

Cellphone, teleprinter, telephone, internet, voicemail, radio message, reverse call, voice message

(d) The following are deductions which are likely to appear on a pay-slip. State whether the deductions below are either statutory or voluntary deductions. [4]

(i) Pay As You Earn
(ii) Pension Contribution
(iii) Stop Order
(iv) Loan

[Turn over
2. Complete the following sentences by stating whether the statement is true or false.

(a) (i) The exchange of goods for goods is called cash system. [1]

(ii) The sale of goods to J. Njungu paying after 30 days is called cheque transaction. [1]

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

**INVOICE**

<table>
<thead>
<tr>
<th>Qty</th>
<th>Description</th>
<th>Amount (K)</th>
<th>Total (K)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Shirts</td>
<td>100</td>
<td>(a)</td>
</tr>
<tr>
<td>20</td>
<td>Dresses</td>
<td>50</td>
<td>(b)</td>
</tr>
<tr>
<td></td>
<td>Gross invoice price</td>
<td></td>
<td>(c)</td>
</tr>
<tr>
<td></td>
<td>Less: 10% Trade discount</td>
<td>200</td>
<td>1 800</td>
</tr>
<tr>
<td></td>
<td>Net invoice price</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TERMS OF PAYMENT**

1 week – 5%, 3 weeks – 2%, one month-net

E&O.E. MUTABA COMPANY

(i) How much was the total price for shirts? [1]

(ii) How much was the total price for dresses? [1]

(iii) Calculate the gross invoice price. [1]
(c) Draw and fill in a receipt with the following details.
   Current date
   Buyers name: Victor Phiri
   Seller's name: M.K Wholesalers
   Receipt No. 9152

(d) What does the Abbreviation SWOT stand for?

(e) Classify the following accounts under the appropriate heading (real, personal or nominal):

<table>
<thead>
<tr>
<th>NAME OF ACCOUNT</th>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Keelo Limited</td>
<td></td>
</tr>
<tr>
<td>(ii) Sales</td>
<td></td>
</tr>
<tr>
<td>(iii) Rent</td>
<td></td>
</tr>
<tr>
<td>(iv) Premises</td>
<td></td>
</tr>
</tbody>
</table>

(f) The following Ledger Account appears in the books of Jaygin a trader.

<table>
<thead>
<tr>
<th>DATE</th>
<th>DETAILS</th>
<th>F</th>
<th>DR (K)</th>
<th>CR (K)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct 1</td>
<td>Balance</td>
<td>b/f</td>
<td>4 500</td>
<td></td>
</tr>
<tr>
<td>Oct 1</td>
<td>Purchases journal</td>
<td></td>
<td>1 500</td>
<td></td>
</tr>
<tr>
<td>Oct 14</td>
<td>Bank</td>
<td></td>
<td>4 200</td>
<td></td>
</tr>
<tr>
<td>Oct 15</td>
<td>?</td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Oct 20</td>
<td>Purchases returns</td>
<td></td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Oct 31</td>
<td>Balance</td>
<td>c/d</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov 1</td>
<td>Balance</td>
<td>b/d</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(i) What type of discount was given on 15th October 2013?  
(ii) What was the balance carried down for the above account?  
(iii) What source document was used on 20 October 2013.
(a) (i) From the list below identify three ways of financing businesses. [3]

Word list:
Savings, bank loan, sole trader, partnership, limited company, leasing.

(ii) Identify any two documents needed for the formation of different types businesses from the list below. [2]

Word list:
Articles of partnership, articles of association, trading licence, purchasing licence, tax certificate.

(b) (i) State three methods of investment from the list below. [3]

Word list:
Farming, loans, overdraft, bonds, shares.

(ii) Naulonde earns a net salary of K3 500 and spends K2 000. He keeps the remainder as his saving. What was Naulonde’s saving? [2]

(c) (i) Mr Malumo a farmer in Mkushi had K475 in his bank account, which is not enough to pay a sum of K700 to his workers. How much overdraft did he apply for from the bank? [2]

(ii) Identify any three financial institutions from the list below. [3]

Word list:
Commercial banks, supermarket, retailer, bureau de change, micro finance company, lending company.
SECTION C

Answer all questions in this section in the answer booklet provided.

1. Prepare the two column cash book for Magwaza from the following details and balance it off. Do not post to the ledger and do not extract a trial balance.

   2014
   July 1  Started business with cash at hand K3 000 and cash at bank K4 000.
   3  Bought a motor van for K1 500 cash and hammer mill for K1 200 by cheque
   6  Paid wages and salaries by cash K500
   8  Bought goods by cheque K200
   10 Sold goods by cash K700
   18 Thabo paid by cheque K1 000
   21 Withdraw cash K250 from the bank for office use
   25 Paid for electricity cash K350

2. The following balances were extracted from the ledger of Simukanga. You are required to prepare a Trial Balance as at 31 March 2014.

   \[
   \begin{array}{|l|c|}
   \hline
   & \text{K} \\
   \hline
   \text{Sales} & 3 574 \\
   \text{Purchases} & 1 240 \\
   \text{Capital} & 4 484 \\
   \text{Drawings} & 583 \\
   \text{Stock 1st April 2013} & 932 \\
   \text{Electricity} & 183 \\
   \text{Bank overdraft} & 106 \\
   \text{Debtors} & 890 \\
   \text{Creditors} & 798 \\
   \text{Carriage inwards} & 97 \\
   \text{Discount received} & 37 \\
   \text{Office equipment} & 2 454 \\
   \text{Returns inwards} & 216 \\
   \text{Returns outwards} & 314 \\
   \text{Carriage outwards} & 48 \\
   \text{Land and buildings} & 2 560 \\
   \text{Cash in hand} & 110 \\
   \hline
   \end{array}
   \]

   [10]
3. The following list of balances were extracted from Hanyinda's books as at 31 December 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>200 000</td>
</tr>
<tr>
<td>Purchases</td>
<td>80 000</td>
</tr>
<tr>
<td>Returns outwards</td>
<td>2 000</td>
</tr>
<tr>
<td>Opening stock</td>
<td>20 000</td>
</tr>
<tr>
<td>Closing stock</td>
<td>10 000</td>
</tr>
<tr>
<td>Carriage inwards</td>
<td>4 000</td>
</tr>
<tr>
<td>Advertising</td>
<td>9 000</td>
</tr>
<tr>
<td>Drawings</td>
<td>18 000</td>
</tr>
<tr>
<td>Discount received</td>
<td>23 000</td>
</tr>
<tr>
<td>Discount allowed</td>
<td>11 500</td>
</tr>
<tr>
<td>Land and building</td>
<td>150 000</td>
</tr>
<tr>
<td>Furniture</td>
<td>20 000</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>13 000</td>
</tr>
<tr>
<td>Debtors</td>
<td>26 000</td>
</tr>
<tr>
<td>Creditors</td>
<td>18 000</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>7 000</td>
</tr>
<tr>
<td>Motor car</td>
<td>34 000</td>
</tr>
<tr>
<td>Commission received</td>
<td>8 500</td>
</tr>
<tr>
<td>Stationery</td>
<td>12 000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>16 500</td>
</tr>
<tr>
<td>Capital</td>
<td>79 500</td>
</tr>
<tr>
<td>Mortgage</td>
<td>90 000</td>
</tr>
</tbody>
</table>

You are required to prepare:

(a) The Trading and Profit and Loss Account for the year ended 31 December 2013. [10]
(b) The Balance Sheet as at 31 December 2013. [10]
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