



MINISTRY OF EDUCATION, SINGAPORE  
in collaboration with  
CAMBRIDGE INTERNATIONAL EDUCATION  
Secondary Education Certificate

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**G2 PRINCIPLES OF ACCOUNTS**

**K233/01**

Paper 1

**For examination from 2027**

SPECIMEN PAPER

**1 hour**

You must answer on the question paper.

No additional materials are needed.

**INSTRUCTIONS**

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and index number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen. Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.
- You may use an approved calculator.

**INFORMATION**

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].
- The businesses described in this question paper are fictitious.

This document has **10** pages. Any blank pages are indicated.



Singapore Examinations and Assessment Board

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Answer **all** questions.

1 Alan is considering setting up a business. He has requested advice on a number of matters.

**REQUIRED**

(a) State the role of accounting.

..... [1]

(b) Explain the meaning of **each** of the following terms:

(i) assets

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

(ii) liabilities

.....  
.....  
..... [1]

(c) Complete the table by naming the source document used to record each transaction 2 to 5. The first transaction has been completed as an example.

	<b>transaction</b>	<b>source document</b>
1	cash sales	receipt
2	credit sales	
3	purchase of non-current asset on credit	
4	returns of credit sales	
5	payments for credit purchases	

[4]

(d) Explain the matching theory.

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

[Total: 10]

**Turn over**

2 Lin has extracted the following balances from the ledger accounts of her business as at 30 June 2027.

	\$
capital	9 550
fixtures and fittings	5 650
accumulated depreciation of fixtures and fittings	1 450
inventory	470
trade payables	3 750
cash in hand	25
cash at bank (overdrawn)	375
drawings	7 225
cost of sales	11 805
sales revenue	15 600
sales returns	595
general expenses	4 955

**REQUIRED**

(a) Prepare the trial balance of Lin's business as at 30 June 2027.

**Lin**  
**Trial balance as at 30 June 2027**

[6]

(b) State **two** uses of a trial balance.

1 .....

<sup>2</sup>.....

[2]

(c) State **two** stakeholders who would be interested in the accounting information of a business.

1 .....

[2]

[Total: 10]

3 Irdina is a sole trader. Her business buys and sells on credit.

The following information relates to Kai's account in Irdina's ledger for the month of July.

During July, Irdina's business had the following transactions with Kai.

2027

July 1 Kai owed Irdina \$1567.  
5 Irdina sold goods to Kai at a list price of \$6280 less 15% trade discount.  
14 Kai returned goods, bought on July 5 for \$1950, as faulty. This is the value **after** taking into account the trade discount.  
28 Kai paid via bank transfer, \$2425, after deducting 3% cash discount

**REQUIRED**

(a) State **one** reason why Irdina offered Kai a trade discount on July 5.

.....  
.....  
.....  
..... [1]

(b) Calculate the amount of trade discount at July 5.

..... [1]

(c) Calculate the amount of cash discount at July 28.

..... [1]

(d) Prepare the journal entries to record the transactions on 5, 14 and 28 July 2027 in Irdina's books. Narrations and the journal entries relating to inventory are **not** required.

<b>date 2027</b>	<b>particulars</b>	<b>debit \$</b>	<b>credit \$</b>
July 5			
July 14			
July 28			

[6]

(e) State **three** possible costs of inventory purchased.

1 .....

2 .....

3 .....

[3]

[Total: 12]

4 Sahil set up a business on 1 March 2027.

The opening balances were as follows.

	\$
office equipment	3000
bank loan	1000
cash in hand	100
inventory	600
trade payables	150

**REQUIRED**

(a) State the basic accounting equation.

..... [1]

(b) Calculate Sahil's equity at 1 March 2027.

.....  
 .....  
 .....  
 .....  
 .....  
 ..... [3]

On 1 April 2027, Sahil's business bought a motor vehicle for \$5000 on credit from Riya Motors.

**REQUIRED**

(c) Explain how this transaction would affect Sahil's equity at 1 April 2027.

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

(d) Explain the accounting entity theory.

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

[Total: 8]

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