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ACCOUNTING Olympiad GRADE 10

DATE: 7 AUGUST 2025

TIME: 90 MINUTES

INSTRUCTIONS:

1. This booklet has 30 multiple choice questions and 10 open ended questions.
2. Use the answer sheet provided.

   Circle the letter corresponding to your answer.
3. All working details must be done in the space provided.
4. Calculators are permitted.
5. Diagrams are not necessarily drawn to scale.
6. The first 30 questions carry 1 mark each and the next 10 carry 2 marks each.
7. You have 90 minutes for the paper which works out to an average of 2.25 minutes per question.
8. Read the questions carefully before answering.
9. Visit the website: www.saolympiads.co.za.

ENJOY THE OLYMPIAD.

Grade Ten Accounting Olympiad 2025

SECTION A

Indicate the most correct answer by indicating the correct letter on the answer sheet provided.

1. Which of the following is considered an asset?
   A. Bank overdraft
   B. Drawings
   C. Debtors
   D. Income (1)

2. Which financial statement shows the financial position of a business?
   A. Income Statement
   B. Cash Flow Statement
   C. Trial Balance
   D. Balance Sheet (1)

3. Which of the following accounts has a credit balance?
   A. Equipment
   B. Drawings
   C. Capital
   D. Trading Stock (1)

4. The accounting equation is:
   A. Assets + Liabilities = Owner's Equity
   B. Assets = Liabilities – Owner's Equity
   C. Assets = Liabilities + Owner's Equity
   D. Assets – Liabilities = Income (1)

5. Which of the following is a liability?
   A. Cash Float
   B. Creditors
   C. Equipment
   D. Debtors (1)

6. Which document is used when goods are returned to a supplier?
   A. Invoice
   B. Debit Note
   C. Credit Note
   D. Receipt (1)

7. Which journal is used to record cash payments?
   A. CRJ
   B. CPJ
   C. DJ
   D. GJ (1)

8. A receipt is issued when:
   A. A business pays for goods
   B. A customer pays the business
   C. Goods are returned
   D. A business issues an invoice (1)

9. A cash register roll is used as a source document in which journal?
   A. Debtors Journal
   B. Creditors Journal
   C. Cash Receipts Journal
   D. General Journal (1)

10. The document that serves as proof of payment for expenses is:
    A. Invoice
    B. Cheque counterfoil
    C. Receipt
    D. Delivery note (1)

11. The first step in the accounting cycle is:
    A. Drawing up the trial balance
    B. Posting to the general ledger
    C. Recording in source documents
    D. Identifying and recording transactions (1)

12. Which book of first entry records sales of inventory on credit?
    A. Debtors Journal
    B. Creditors Journal
    C. Cash Receipts Journal
    D. General Journal (1)

13. Which ledger account increases on the debit side?
    A. Sales
    B. Bank
    C. Capital
    D. Creditors Control (1)

14. The trial balance is prepared to:
    A. Check that revenue is more than expenses
    B. Determine the bank balance
    C. Check if debits equal credits
    D. Show profit or loss (1)

15. When an expense is paid in cash, which account is credited?
    A. Expense Account
    B. Bank
    C. Debtors Control
    D. Creditors Control (1)

16. The purpose of the general ledger is to:
    A. Record all cash receipts
    B. Summarize the balances of all accounts
    C. Issue invoices
    D. Record source documents (1)

17. The balance of the Sales account is usually:
    A. Debit
    B. Credit
    C. Zero
    D. Negative (1)

18. Which of the following is a nominal account?
    A. Trading Stock
    B. Bank
    C. Rent Expense
    D. Capital (1)

19. Debtors Control is classified under:
    A. Expenses
    B. Income
    C. Assets
    D. Liabilities (1)

20. Which of the following is posted to the debit side of the Bank account?
    A. Payment to creditors
    B. Owner's drawings
    C. Receipt from debtors
    D. Bank charges (1)

21. A dishonoured cheque is:
    A. A cheque that was not recorded
    B. A cheque that is accepted
    C. A cheque returned unpaid by the bank
    D. A cheque written by the business (1)

22. Which of the following is an internal control measure?
    A. Increasing expenses
    B. Separation of duties
    C. Issuing cheques
    D. Posting entries (1)

23. The bank statement is issued by:
    A. The business
    B. The supplier
    C. The customer
    D. The bank (1)

24. Which of the following would cause the bank balance in the ledger to differ from the bank statement?
    A. Recorded payments
    B. EFTs received
    C. Outstanding cheques
    D. Petty cash transactions (1)

25. A post-dated cheque should be:
    A. Deposited immediately
    B. Ignored
    C. Not recorded until the date on the cheque
    D. Sent back to the customer (1)

26. The current VAT rate in South Africa is:
    A. 10%
    B. 14%
    C. 15%
    D. 18% (1)

27. Which of the following items is VAT exempt?
    A. Petrol
    B. Bread
    C. Soap
    D. Furniture (1)

28. Ethics in accounting includes:
    A. Increasing profits
    B. Following GAAP principles
    C. Avoiding records
    D. Paying fewer taxes (1)

29. Which of the following reflects ethical behaviour?
    A. Hiding income
    B. Paying bribes
    C. Accurate financial reporting
    D. Creating fake invoices (1)

30. An unethical action in accounting is:
    A. Calculating VAT
    B. Falsifying financial statements
    C. Recording salaries
    D. Following policies (1)

SECTION B

31. Explain why the accounting equation must always balance. (2)

32. What is the difference between capital and drawings in a business? (2)

33. How does a business record a transaction where equipment is bought on credit (2)

34. Why is it important to classify expenses into operating and non-operating? (2)

35. What is the effect on the accounting equation when the owner introduces additional cash into the business? (2)

36. Why do we prepare a bank reconciliation statement? (2)

37. If a business has total assets of R500,000 and liabilities of R300,000, what is the owner's equity? (2)

38. How does depreciation affect the financial statements? (2)

39. What is the purpose of a general ledger? (2)

40. Why is the prudence principle important in accounting? (2)

TOTAL MARKS = 50