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ACCOUNTING Olympiad GRADE 10

DATE: 6 AUGUST 2026

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.

GOOD LUCK! ENJOY THE OLYMPIAD.

Grade Ten Accounting Olympiad 2026

SECTION A

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

1. Which accounting concept requires that a business be treated separately from its owner?
   A. Going concern
   B. Prudence
   C. Business entity
   D. Consistency (1)

2. What is a fixed deposit categorised as?
   A. Non-current liability
   B. Current Liability
   C. Asset
   D. Investment (1)

3. Which of the following is classified as a current asset?
   A. Land and buildings
   B. Equipment
   C. Debtors
   D. Long-term loan (1)

4. Which document does a business send to a supplier when returning goods?
   A. Invoice
   B. Receipt
   C. Debit note
   D. Credit note (1)

5. The main purpose of source documents is to:
   A. Record financial transactions accurately
   B. Prepare final accounts
   C. Calculate profit
   D. Control staff performance (1)

6. Which journal is used to record cash received from debtors?
   A. Cash payments journal
   B. Cash receipts journal
   C. General journal
   D. Debtors journal (1)

7. Which transaction will increase both assets and owner's equity?
   A. Owner invests cash into the business
   B. Business buys goods on credit
   C. Business pays a creditor
   D. Owner withdraws cash for personal use (1)

8. The purpose of the cash payments journal is to record:
   A. All cash payments made by the business
   B. All cash sales
   C. Credit purchases
   D. Cash received from debtors (1)

9. Which account will have a debit balance?
   A. Capital
   B. Income
   C. Assets
   D. Liabilities (1)

10. Which item is regarded as an expense?
    A. Equipment
    B. Rent paid
    C. Capital
    D. Loan received (1)

11. The trading account is used to calculate:
    A. Net profit
    B. Gross profit
    C. Total expenses
    D. Owner's equity (1)

12. Cost of sales is calculated as:
    A. Opening stock + Purchases – Closing stock
    B. Sales – Closing stock
    C. Purchases – Opening stock
    D. Opening stock – Purchases (1)

13. Which account appears in the statement of financial position?
    A. Sales
    B. Rent income
    C. Creditors
    D. Cost of sales (1)

14. Which principle requires expenses to be matched with income?
    A. Prudence
    B. Consistency
    C. Matching
    D. Business entity (1)

15. What is the purpose of depreciation?
    A. To increase asset value
    B. To record the wear and tear of assets
    C. To calculate cash flow
    D. To record asset purchases (1)

16. Which book of original entry is used to record credit sales?
    A. Cash receipts journal
    B. Debtors journal
    C. Creditors journal
    D. General journal (1)

17. Which of the following is a liability?
    A. Bank
    B. Stock
    C. Creditors
    D. Debtors (1)

18. When goods are bought on credit, which account is credited?
    A. Purchases
    B. Bank
    C. Creditors
    D. Debtors (1)

19. Which statement shows assets, liabilities, and capital?
    A. Trading account
    B. Income statement
    C. Statement of financial position
    D. Cash flow statement (1)

20. Drawings refer to:
    A. Salaries paid to employees
    B. Cash withdrawn by the owner for personal use
    C. Profits earned by the business
    D. Capital invested by the owner (1)

21. Which account is closed off to the profit and loss account?
    A. Bank
    B. Equipment
    C. Rent expense
    D. Creditors (1)

22. The function of the general journal is to record:
    A. Cash transactions only
    B. Credit purchases only
    C. Transactions not recorded in other journals
    D. Cash sales only (1)

23. Which transaction affects only the balance sheet?
    A. Cash sales
    B. Payment of rent
    C. Purchase of equipment for cash
    D. Credit sales (1)

24. Closing stock is recorded in the:
    A. Cash payments journal
    B. Trading account
    C. Statement of financial position
    D. Debtors journal (1)

25. Which of the following is an example of income?
    A. Rent paid
    B. Sales
    C. Drawings
    D. Equipment (1)

26. Which account is debited when cash is received?
    A. Capital
    B. Bank
    C. Income
    D. Creditors (1)

27. The purpose of posting to the ledger is to:
    A. Summarise transactions by account
    B. Prepare source documents
    C. Record transactions daily
    D. Calculate VAT (1)

28. Which item will appear under current liabilities?
    A. Mortgage loan
    B. Creditors
    C. Land
    D. Equipment (1)

29. Which financial statement shows the profit or loss for a period?
    A. Trading account
    B. Balance sheet
    C. Income statement
    D. Cash flow statement (1)

30. Why is consistency important in accounting?
    A. It ensures accounting methods are applied uniformly each year
    B. It increases profits
    C. It reduces expenses
    D. It prevents errors completely (1)

SECTION B

31. Define the term asset. (2)

32. Name the two source documents used in the Petty Cash Journal and the General Journal. (2)

33. What is meant by capital in accounting? (2)

34. Explain the term liability. (2)

35. State two purposes of the cash receipts journal. (2)

36. What is gross profit? (2)

37. Give any two examples of operating expenses in a business. (2)

38. What is the purpose of the income statement? (2)

39. Define drawings. (2)

40. State two users of financial statements. (2)

TOTAL MARKS = 50