ACCOUNTING Olympiad GRADE 11

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 Eleven Accounting Olympiad 2026

SECTION A

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

1. Which accounting concept assumes that a business will continue operating for the foreseeable future?
   A. Consistency
   B. Prudence
   C. Going concern
   D. Matching (1)

2. VAT charged on sales is referred to as:
   A. Input VAT
   B. Output VAT
   C. VAT payable
   D. VAT refundable (1)

3. If VAT output is greater than VAT input:
   A. The business receives a refund
   B. The business owes SARS
   C. The business made a loss
   D. The business claims input VAT (1)

4. The purpose of the Debtors Allowance Journal is to record:
   A. Credit sales only
   B. Discounts received from creditors
   C. Returns and allowances to debtors
   D. Cash received from debtors (1)

5. Which account will be debited when a debtor returns goods?
   A. Sales
   B. Debtors control
   C. Debtors allowances
   D. Cost of sales (1)

6. Trade discounts are usually recorded in the accounting records as:
   A. An expense
   B. Income
   C. A deduction on the invoice only
   D. A cash transaction (1)

7. Which financial statement shows income and expenses for a period?
   A. Statement of financial position
   B. Trading account
   C. Income statement
   D. Cash flow statement (1)

8. The purpose of the Cash Flow Statement is to show:
   A. Profit or loss
   B. Assets and liabilities
   C. Cash inflows and outflows
   D. Sales and expenses (1)

9. Which of the following is a non-current asset?
   A. Debtors
   B. Stock
   C. Land and buildings
   D. Bank (1)

10. Depreciation is recorded to:
    A. Increase asset value
    B. Show market value of assets
    C. Allocate the cost of an asset over its useful life
    D. Calculate cash profit (1)

11. Which method of depreciation charges the same amount each year?
    A. Reducing balance
    B. Straight-line
    C. Production unit
    D. Market value (1)

12. The Fixed Asset Disposal Account is used to:
    A. Record purchase of assets
    B. Record sale of assets
    C. Calculate depreciation
    D. Record asset revaluations (1)

13. Which account is credited when depreciation is recorded?
    A. Asset account
    B. Accumulated depreciation
    C. Depreciation expense
    D. Bank (1)

14. Which of the following is classified as an operating activity in the Cash Flow Statement?
    A. Purchase of equipment
    B. Issue of shares
    C. Cash received from customers
    D. Repayment of long-term loans (1)

15. A provision for bad debts is created to:
    A. Increase profit
    B. Cover expected losses from debtors
    C. Record actual bad debts
    D. Increase assets (1)

16. Which account is debited when a bad debt is written off?
    A. Debtors control
    B. Bad debts
    C. Provision for bad debts
    D. Bank (1)

17. The purpose of a trial balance is to:
    A. Calculate profit
    B. Detect all errors
    C. Check arithmetic accuracy of ledger accounts
    D. Prepare financial statements (1)

18. Which error will not affect the trial balance totals?
    A. Incorrect addition
    B. Error of omission
    C. Error of original entry
    D. Transposition error (1)

19. Which VAT is claimed back from SARS?
    A. Output VAT
    B. VAT payable
    C. Input VAT
    D. VAT collected (1)

20. When goods are sold on credit, which account is debited?
    A. Sales
    B. Bank
    C. Debtors
    D. Creditors (1)

21. Which section of the statement of financial position shows long-term loans?
    A. Current assets
    B. Current liabilities
    C. Non-current liabilities
    D. Equity (1)

22. Which of the following is an internal user of financial statements?
    A. Bank
    B. SARS
    C. Owner
    D. Creditors (1)

23. Which accounting principle requires income not to be overstated?
    A. Matching
    B. Prudence
    C. Consistency
    D. Business entity (1)

24. The purpose of closing entries is to:
    A. Record daily transactions
    B. Balance ledger accounts
    C. Transfer income and expenses to the income statement
    D. Calculate VAT (1)

25. Which account has a credit balance?
    A. Expenses
    B. Assets
    C. Income
    D. Drawings (1)

26. Which item appears in the Debtors Control Account?
    A. Cash sales
    B. Credit purchases
    C. Credit sales
    D. Owner's investment (1)

27. The net book value of an asset is calculated as:
    A. Cost price + depreciation
    B. Market value – depreciation
    C. Cost price – accumulated depreciation
    D. Selling price – expenses (1)

28. Which document is used to record a cash purchase?
    A. Invoice
    B. Receipt
    C. Statement
    D. Debit note (1)

29. Emma is the accountant of XYZ Ltd. She discovers that the company's financial statements have been manipulated to show a higher profit than actual. What should Emma do?
    A. Ignore the issue and let the financial statements be presented as is.
    B. Report on the issue to the management and try to resolve it internally.
    C. Resign from her position as accountant and inform the relevant authorities
    D. Inform the company's competitors about the financial statements manipulated. (1)

30. Why is the Cash Flow Statement important?
    A. It shows profitability
    B. It shows liquidity and cash management
    C. It replaces the income statement
    D. It records credit transactions (1)

SECTION B

31. Define VAT. (2)

32. State two purposes of the Debtors Allowance Journal. (2)

33. What is depreciation? (2)

34. State two examples of non-current assets. (2)

35. What is meant by provision for bad debts? (2)

36. Explain the term net profit. (2)

37. State two reasons why a trial balance may not be balanced. (2)

38. What is the purpose of the Cash Flow Statement? (2)

39. Define the term debtor. (2)

40. State two internal users of accounting information. (2)

TOTAL MARKS = 50