Title

O-Level Topical Accounting (PAPER-2)

Syllabus 2025-2026-2027

(2019-2025)

Published by

Rabbani Publications Center

Rabbani Photo Copier

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Rabbani Photo Copier
Corner Jamia Masjid Technical, D-Ground Faisalabad.
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Price:

PREFACE

A tremendous team of enthusiastic Accounting Teachers have designed this incomparable resource for 2025,2026,2027 O level and IGCSE students to practice and master their skills. Excellence can be achieved through this support; learners can develop their understanding of a variety of Accounting situations and practice for their CAIE.

The questions included are synchronous with CAIE format. Hence, the students can approach the questions with a more realistic and serious attitude. Questions from all variants are included for students to practice diverse problems for the same topic. Answer key at end of every topic keeps the students from a bothering hassle of searching for it.

The book has been edited and checked to remove possible mistakes. However, constructive criticism is welcome. You may call us for your productive feedback and suggestions at this No. (0332-6682372) . This book is recommended by all renowned Accounting teachers who contributed to make it effective and fruitful.

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Printed in Faisalabad-Pakistan.

Quality Policy

- Customer satisfaction is our priority and achieve this goal we will always, work as a team.
- Produce and supply finest quality goods meeting all the specification including Environmental concern and safety
- Every employee will influence to contribute towards
- Quality improvement to sustain through ideas and innovation.

- گاہک کا اطمینان ہماری اولین ترجیح ہے۔
- اپنے مقصد کے حصول کیلئے ہم ہمیشہ بحیثیت ایک ٹیم کام کرتے ہیں۔
- گاہک کی ضروریات اور ماحولیاتی حالات اور احتیاطی تدابیر کہ مدنظر رکھتے ہوئے معیاری اشیاء فراہم کرتے ہیں۔
- ہر فرد اپنے خیالات اور تخلیقات کے ذریعے بہتر کوالٹی اور اس کو برقرار رکھنے کیلئے موثر کردار ادا کرتا ہے۔

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Q1/22/M/J/19

1 Mikaela purchases goods from Steve. On 1 March 2019 Mikaela owed Steve $900.

Mikaela provided the following information for the month of March 2019.

March 5	Received an invoice from Steve, $730
9	Received a refund by cheque from Steve, $80, for overpayment made in February
18	Sent a cheque to Steve for the balance owing on 1 March after taking 2% discount
23	Received a credit note from Steve, $45

REQUIRED

(a) Prepare the account of Steve in the books of Mikaela for the month of March. Balance the account and bring down the balance on 1 April 2019.

Steve account

Date	Details	$	Date	Details	$

[5]

(b) Name the book of prime (original) entry in which Mikaela would record the following transactions.

Date	Details	Book of prime (original) entry
March 5	Received an invoice from Steve, $730	
9	Received a refund by cheque from Steve, $80, for overpayment made in February	
18	Sent a cheque to Steve for the balance owing on 1 March after taking 2% discount	
23	Received a credit note from Steve, $45	

[4]

(c) Name the subdivision of Mikaela's ledger that would contain the account of Steve.

..... [1]

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Mikaela extracted the following balances from her ledger on 31 March 2019. She was aware that there were a number of errors in the ledger.

	$
Revenue	9900
Purchases	5500
Inventory	1750
Sales returns	150
Carriage inwards	600
Trade receivables	1750
Discount received	200
Purchases returns	150
Trade payables	1300
Non-current assets (book value)	4000
Bank overdraft	1150
6% bank loan	1500
Capital	4750
Drawings	2500
General expenses	3300

REQUIRED

(d) Prepare the trial balance at 31 March 2019, including a suitable balancing entry.

Mikaela
Trial Balance at 31 March 2019

	Debit	Credit
	$	$
Revenue		
Purchases		
Inventory		
Sales returns		
Carriage inwards		
Trade receivables		
Discount received		
Purchases returns		
Trade payables		
Non-current assets (book value)		
Bank overdraft		
6% bank loan		
Capital		
Drawings		
General expenses		

[6]

RABBANI BROTHERS & SON's

Q1(d)/21/O/N/19

2 Filton is a retailer of electrical goods. His financial year ends on 30 September. The following information was available from his books.

Balances on 1 October 2018

	$
Stationery account	350 Debit
Rent receivable account	200 Debit (for one month's rent receivable accrued)

Stationery purchases on credit from Walker

	$
23 December 2018	1200
14 June 2019	600

Information from the bank account for the year ended 30 September 2019

Receipts

		$
3 October 2018	Four months' rent receivable	800
5 February 2019	Four months' rent receivable	800
6 July 2019	Three months' rent receivable	600

Additional information

On 30 September 2019 Filton's stationery was valued at $450. Two months' rent was owed to him.

REQUIRED

(d) Complete the following table by naming the business document and the book of prime (original) entry used by Filton for each transaction.
The first item has been completed as an example.

Transaction	Business document	Book of prime (original) entry
Sold goods on credit to Yan.	*Sales invoice*	*Sales journal*
Paid wages by cheque.		
Goods sold on credit to Yan were returned.		
Purchased goods by cash.		
Sold a motor vehicle on credit.		
Purchased goods on credit from Mary.		

[10]

RABBANI BROTHERS & SON's

Q1/22/O/N/19

3 Sairah is a retailer of garden furniture. The following ledger account appeared in her books on 31 August 2019.

Wootton account

Date	Details	Debit	Credit	Balance
2019		$	$	$
August 1	Balance b/d			263 Dr
8	Sales	70		333 Dr
10	Sales returns		9	324 Dr
15	Bank		144	180 Dr
15	Discount		6	174 Dr

REQUIRED

(a) (i) Name the type of ledger accounts prepared by Sairah showing a balance after each transaction.

..... [1]

(ii) Name the subdivision of Sairah's ledger in which the account of Wootton would appear.

..... [1]

(iii) Name the document sent by Sairah to Wootton on 10 August.

..... [1]

(iv) Name the type of discount taken by Wootton on 15 August.

..... [1]

(v) Calculate the percentage discount taken by Wootton on 15 August.

.....

..... [1]

(vi) Name the document which would be sent by Sairah to Wootton on 31 August detailing the transactions for the month.

..... [1]

RABBANI BROTHERS & SON's

(b) Complete the following table. For **each** transaction name the book of prime (original entry), the account to be debited, the account to be credited and the effect on capital.
The first item has been completed as an example.

	book of prime (original) entry	account debited	account credited	effect on capital $
sold goods on credit to Win, $300 (cost $210)	*Sales journal*	*Win*	*Sales*	*+90*
paid wages in cash, $750				
purchased a new computer system, $1500, on credit from CW Limited				
received goods returned which had been sold on credit to Wendy, $150 (cost $80)				

[12]

Sairah uses ICT (Information Communication Technology) to maintain her book-keeping records.

REQUIRED

(c) State **two** advantages of using ICT (Information Communication Technology).

1 .....

.....

.....

2 .....

.....

.....

[2]

RPC
RABBANI BROTHERS & SON's

Q1/22/M/J/20

4 Bilal is a trader. He buys goods on credit and for cash. He sells goods on a cash basis only.
The following transactions took place in April 2020.

April 4 Bought goods on credit from Milly, list price $320, subject to a trade discount of 20%

5 Bought goods on credit from EHL Limited, $500

6 Bought stationery, $145, paying by cheque

8 Cash sales, $280, were paid immediately into Bilal's bank account

10 Paid $128 cash to Milly

12 Cash sales, $110

13 Bought goods on credit, $250, from Todd who offers 4% cash discount for payments made within 14 days

17 Bought office equipment, $500, paying by bank transfer

21 Paid by cheque for the goods purchased from Todd on 13 April after deducting the cash discount

24 Paid $485 to EHL Limited by telephone transfer, having deducted 3% cash discount

28 Sold old office equipment for $50 cash

REQUIRED

(a) Prepare the purchases journal for April 2020.
Total the journal and indicate the ledger account to which the total would be posted.

Bilal
Purchases journal

Date	Details	$	$
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

[4]

(b) Complete Bilal's cash book on the page opposite.

Balance the cash book and bring down the balances on 1 May 2020.

RABBANI BROTHERS & SON's

Bilal
Cash Book

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2020		$	$	$	2020		$	$	$
April 1	Balance b/d	.....	160	1960	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
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[12]

RPC
RABBANI BROTHERS & SON's

(c) Name **one** accounting principle applied by Bilal in **each** of the following situations.

	accounting principle
The double entry for the posting of the purchases journal entries is completed by posting the individual amounts to the purchases ledger.	
The purchase of goods on 5 April did not include goods costing $55 which Bilal bought for his own use.	
The stationery purchased on 6 April had been recycled. This is expected to improve the reputation of the business. Reputation is not recorded in the accounting statements.	
The value of office equipment shown in the financial statements was based on its purchase price.	

[4]

Q1/22/O/N/20

5 Dev owns a business selling furniture.

The following transactions took place during August 2020.

Transaction	Date	Details	$
1	August 9	Sold goods on credit to Petra	675
2	14	Petra returned damaged goods to Dev	120
3	23	Banked cash sales	412
4	29	Petra settled her outstanding balance at 1 August by credit transfer after taking a cash discount of 5%	

On 1 August 2020, the balance on credit customer Petra's sales ledger account was $940 debit.

REQUIRED

(a) Complete the table to name **each** business document **and** book of prime entry for the following transactions in Dev's accounting records.

Transaction	Business document	Book of prime entry
2		
3		
4		

[6]

RABBANI BROTHERS & SON's

(b) Prepare the account of Petra for August 2020 as it would appear in Dev's sales ledger.

Balance the account and bring down the balance on 1 September 2020.

Dev
Petra account

Date 2020	Details	$	Date 2020	Details	$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[6]

(c) Identify the section of Dev's statement of financial position at 31 August 2020 in which the balance on Petra's account would appear.

..... [1]

Dev allows his credit customers a cash discount of 5% for prompt payment. He is considering reducing this to 2%.

REQUIRED

(d) State **one** advantage and **one** disadvantage to Dev of this proposal.

.....

.....

.....

..... [2]

RABBANI BROTHERS & SON's