



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

CANDIDATE  
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CENTRE  
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**G2 PRINCIPLES OF ACCOUNTS**

**K233/02**

Paper 2

**For examination from 2027**

SPECIMEN PAPER

**2 hours**

You must answer on the question paper.

You will need: Insert

**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.
- If additional space is needed, you should use the lined pages at the end of this booklet; the question number or numbers must be clearly shown.
- You may use an approved calculator.

**INFORMATION**

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [ ].
- The businesses described in this question paper are fictitious.
- The insert contains the data for Question 1.

This document has **16** pages. Any blank pages are indicated.



Singapore Examinations and Assessment Board



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- 2 Haziq trades as a carpenter. On 1 May 2026, Haziq’s business bought a motor van costing \$7300 on credit from Exe Motors.

**REQUIRED**

- (a) Prepare the journal entry to record this transaction in the books of Haziq’s business. A narration **is** required.

Journal

date 2026	particulars	debit \$	credit \$

[3]

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

- (i) capital expenditure

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..... [2]

- (ii) revenue expenditure

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.....

.....

..... [2]

During the year ended 30 April 2027, Haziq’s business incurred expenditure in respect of the motor van.

**REQUIRED**

(c) Complete the table by classifying the expenditure by placing a tick (✓) in the appropriate column.

	<b>capital expenditure</b>	<b>revenue expenditure</b>
diesel for the motor van		
painting business name on the motor van		
motor van service		
motor van insurance		

[4]

(d) Explain the materiality theory.

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.....

.....

..... [2]

[Total: 13]

- 3 Peng sells garden furniture. Details from the cash at bank account and bank statement for the business for the month of July 2027 are as follows:

Cash at bank account

<b>date 2027</b>	<b>particulars</b>	<b>debit \$</b>	<b>credit \$</b>	<b>balance \$</b>
July 1	balance b/d			1925 Dr
2	rent		750	1175 Dr
5	cash		500	675 Dr
8	C Lane	652		1327 Dr
15	sales revenue	1500		2827 Dr
19	Y Brindle		892	1935 Dr
22	J Warren	125		2060 Dr
28	drawings		1000	1060 Dr
30	Sheng	257		1317 Dr
31	Vanya		324	993 Dr
August 1	balance b/d			993 Dr

Bank statement

<b>date 2027</b>	<b>particulars</b>	<b>payments \$</b>	<b>receipts \$</b>	<b>balance \$</b>
July 1	balance b/d			1925 Cr
2	Kim Properties	750		1175 Cr
5	cash withdrawal	500		675 Cr
8	C Lane		652	1327 Cr
15	cash		1500	2827 Cr
19	Y Brindle	892		1935 Cr
22	J Warren		125	2060 Cr
28	Peng	1000		1060 Cr
31	bank charges	72		988 Cr

The following information is also available.

Business paid rent of \$750 to Kim Properties on 2 July.



(c) State **two** reasons why it is important for a business to prepare a bank reconciliation.

1 .....

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2 .....

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[2]

(d) Explain the objectivity theory.

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[2]

[Total: 13]

- 4 Eric’s business trades in sports shoes. On 1 March 2027, the business had an inventory of shoes with a total cost of \$5000 (500 pairs at \$10 each). Eric uses the FIFO (First In First Out) method of inventory valuation. The following transactions took place in March 2027.

- March 8 Eric sold 500 pairs of sports shoes to Mei.
- 12 Eric purchased 40 pairs of sports shoes that cost \$400 on credit from LP Supplies.
- 19 Eric sold 40 pairs of sports shoes to Yang at a list price of \$15 each pair.
- 25 Yang returned 40 pairs of sports shoes to Eric.

**REQUIRED**

- (a) Prepare the journal entries to record the transactions for 12 and 25 March 2027 in Eric’s books.

date 2027	particulars	debit \$	credit \$
March 12			
March 25			

[6]

- (b) Calculate the cost of sales for March 2027.

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..... [3]

Eric's business purchases approximately 3000 pairs of sports shoes per annum from LP Supplies, a supplier to Eric's business for 10 years.

His business is considering changing its local supplier to one based overseas, SK Traders.

The following information is available.

	<b>LP Supplies</b>	<b>SK Traders</b>
list price	\$10	\$9
credit terms	30 days 1% cash discount for payment within 20 days	30 days 1% cash discount for payment within 25 days
delivery fees	\$20 for every 100 pairs	\$45 for every 100 pairs
refund policy	refunds made within 2 days of return	refunds made within 1 week of return
replacement policy	replacement sports shoes will be will be delivered within 3 days	replacement sports shoes shipped within 10 days
additional incentive	none	samples of new types of sports shoes provided monthly







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