

STUDENT EDUCATION NUMBER



GOVERNMENT OF SAMOA
MINISTRY OF EDUCATION, SPORTS AND CULTURE

Samoa School Certificate

ACCOUNTING

2018

QUESTION and ANSWER BOOKLET

Time allowed: 3 Hours & 10 minutes

INSTRUCTIONS

1. You have 10 minutes to read **before** you start the exam.
2. Write your **Student Education Number (SEN)** in the space provided on the top left hand corner of this page.
3. **Answer ALL QUESTIONS.** Write your answers in the spaces provided in this booklet.
4. If you need more space, ask the Supervisor for extra paper. Write your SEN on all extra sheets used and clearly number the questions. Attach the extra sheets at the appropriate places in this booklet.

CURRICULUM STRANDS		Page	Time (min)	Weighting
STRAND 1:	ACCOUNTING APPLICATION	2	36	20
STRAND 2:	FINANCIAL ACCOUNTING	5	90	50
STRAND 3:	THE ACCOUNTING PROCESS	16	54	30
TOTAL			180	100

Check that this booklet contains pages 2-22 in the correct order and that none of these pages are blank.
HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION

1. In dealing with taxation accounting, which ministry is interested in business taxes?

SL 1

2. Nua Patty is a tourist who arrived from New Zealand in January 2018. She preferred to stay at a Beach Fale instead of a hotel room. She went to Savaii and stayed at Jolan Beach Fales in Lano. State the type of business she visited.

SL 1

3. Eric MJ owns a retail shop in his village. He's not interested in keeping records for his business operations because he says it's just a small business. You studied accounting in school and you need to advise him and;

State the importance of accounting in a firm.

SL 1

4. Suggest TWO ways to store personal accounting documents.

SL 2

5. Lewia went to Chan Mow Supermarket to buy some groceries. She gave cash to the cashier on the counter in return of goods and a financial document. Give the name of this specific document.

SL 2

6. Non-financial information is also important during a business research while planning to set up a business. Explain the importance of **Location**, a non-financial information for the business set up.

SL 3

7. Explain the importance of **cheque butts** as source documents in business transactions.

SL 3

8. Families in Samoa are all consumers of water and electricity. Documents are issued to these families for information. Explain the purpose of these documents to consumers.

SL 3

9. Farmers' Association is a society in Samoa. Discuss in particular the importance of accounting to this society.

SL 4

10. Identify the accounting concept used by accountants preparing financial statements where they prefer to understate rather than overstate profit and assets.

SL 1

11. Name the type of business which is treated as a person in the eyes of the law. It can be sued and can sue people.

SL 1

12. In the owner's equity section of the Statement of Financial Position of a sole proprietor, drawings is subtracted from equity after adding net profit. Define drawings.

SL 1

13. Being a sole trader, name one characteristic of this type of business in relation to its growth in personal wealth and capacity to raise funds.

SL 1

Ownership	Management	Capital	Advantages
Sole trader	Owner alone	Owner's contribution	Take all profits
Partnership	(ii) _____	(iii) _____	Share losses
Company	Shareholders or managers	(iv) _____	(v) _____
(i) _____	Elected committee	Subscriptions	(vi) _____

Use the table above to answer Number 16(i) – (iv).

16. (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

SL 4

17. Explain the advantage of a company shown by (v) and (vi).

SL 3

18. Explain the advantage of Clubs & Societies shown by (vi) in the table page 6.

SL 3

The owner’s equity section in the given extract of the Statement of Financial Position is as follows:

T & T MOTOR REPAIRS	
Statement of Financial Position as at 1st January 2018	
Owner’s Equity	
Capital – Tavita Keyes	67,000
Capital – Tanielu Keyes	34,000
	101,000

19. Explain the owner’s equity section shown in the above extract in relation to the type of business entity in operation.

SL 3

Use the extract below to answer Number 20 – 23.

LAUMOSOUI GOLF CLUB	
Statement of _____ as at 30th June 2018 (Extract)	
Accumulated Fund:	
Balance as at 1 st July 2017	24,500
Plus Excess Income over Expenditure	7,500
Balance as at 30 th June 2018	32,000

20. Describe the term Accumulated Fund.

SL 2

21. Considering the description of the accounting concept applied in Number 20 above, determine the financial statement been prepared.

SL 3

22. Explain the term Excess Income over Expenditure.

SL 3

23. Analyse the accounting information given in the financial statement.

SL 3

24. List the TWO accounting methods and presentations which are commonly used in preparing financial statements on balance day.

SL 2

The financial records for Nua Patty's Sports Shop have been prepared over different time periods for the last four years. Year One, the records were for nine months. Year Two covered a 15 month period where as Year 3 & 4 were for 12 months.

- 25.** Discuss the importance of the accounting concept being violated in the scenario above.

SL 4

The Statement of Change in Cash Position (Cash Flows) is prepared to show the change in the bank balance between the start of the financial period and the end of this period and how this occurred.

26. Complete the Statement of change in Cash Position for Natelya’s Flower Shop as at 30th September 2018. The following are the transactions for the month of September.

- Natelya invested another \$2000 in the business
- Received \$800 from customers paying accounts
- Cash sales \$5800
- Paid wages \$640
- Received electricity bills \$150
- Sent invoices to customers \$1300
- Bought new computer \$4000 Receipt No. 1123
- Purchased more stock with cash \$960
- Balance 1st October 2017 was \$3700

**NATELYA’S FLOWER SHOP
STATEMENT OF CHANGE IN CASH POSITION AS AT 30TH SEPTEMBER 2018**

SL 4

Cash Receipts	\$	\$
<i>Cash was provided from:</i>		
Cash Payments		
<i>Cash was applied to:</i>		
Net Increase/Decrease in Cash Held		
Balance 1/09/2018		
Balance at 30/09/2018		

Vaoala Social Club
Trial Balance as at 31st July 2018

	Debit	Credit
Accumulated funds		17885
Petty Cash Imprest	30	
Cash at bank	610	
Accounts receivables – refreshments	190	
Inventories – Refreshments 1 st June 2017	430	
Furniture (cost)	3000	
Accumulated depreciation		1300
Clubhouse	15000	
Investments	1000	
Entrance fees		120
Subscriptions revenue		800
Sales – refreshments		940
Interest on investments		60
Social proceeds		220
Competition fees		80
Purchases-refreshments	250	
Wages – refreshments	50	
Electricity	220	
Rates	330	
Stationery and stamps	75	
Social expenses	220	
	\$21405	\$21405
Inventories – refreshments at 31 st July 2018	\$510	

27. Use the trial balance on page 13 to prepare the Refreshments Trading Account for Vaoala Social Club.

Vaoala Social Club
Refreshments Trading Account for year ended 31st July 2018

SL 4

	\$	\$

28. Identify the component which is added to the Total accumulated Fund section of the Statement of Financial Position of Clubs & Societies.

SL 1

29. Name the accounting concept used when business and personal records are kept separately.

SL 1

30. Identify the accounting concept being used when accountants advise the business owner to assume that the life of his business is divided into equal time periods.

SL 1

31. Name the accounting concept used when the business non-current assets are recorded at their original costs.

SL 1

32. Name the accounting concept stating that all information and explanation necessary for interpretation of reports and statements should be conveyed to all users.

SL 1

Use the given ledger account to answer Number 33 and 34.

Patty Natelya

Date	Particulars	Debit	Credit	Balance
Mar 01	Balance			900dr
05	Sales	800		1700dr
10	Sales	1300		3000dr
20	Sales returns		200	2800dr
31	Bank & discount		1200	1600dr

Patty Natelya's account can be recorded in the general ledger but more specific when it's recorded in a subsidiary ledger.

33. Explain the difference between a general ledger and a subsidiary ledger.

SL 3

34. Which account from the particulars in the ledger account above will appear in the balance sheet?

SL 1

Salvation Army is a society being introduced and established in Samoa recently.

35. Explain its nature indicating features of clubs and societies.

SL 3

Use the given control account to answer Number 36.

Accounts Payable Control

Date	Particulars	Debit	Credit	Balance
July 1	Balance			5900cr
8	Freight		200	6100cr
31	Purchases		6500	12600cr
	Banks & discount	5900		6700cr
	Purchases returns	300		6400cr

36. Identify the accounts from the ledger account above to be posted to the Statement of Financial Performance for trading firms.

(i) _____

(ii) _____

(iii) _____

SL 3

Use the given source document to answer Number 37 – 39 below.

28 September 2018	
To:	Freyne
For:	Wages
<hr/>	
Bal b/f	3695
Deposits	—
	3695
This cheque	<u>720</u>
Bal c/f	2975

37. Name the specific information shown in the given source document which identifies the expense incurred.

SL 1

38. Show the correct general journal entry for the transaction indicated by the source document above. Narration is not required.

General Journal

Date	Particulars	Debit	Credit

SL 1

39. Record the same transaction in the source document in the appropriate journal. Show all the correct information.

Cash Payments Journal

Date	Particulars	Cheque No.	Bank	Sundries

SL 2

40. Describe the difference between accounting cycle and accounting process.

SL 2

41. The financial year for EGT Club ended on 31/12/17 and its records showed subscriptions in arrears on 01/01/18 of \$100. Describe how these subs in arrears are treated in the subscriptions account.

SL 2

Use the given Statement of Receipts & Payments for Panina Cricket Club to prepare Activity (Trading) Statements for Raffle and Food Stalls for year ended 31st July 2018.

Panina Cricket Club
Statement of Receipts and Payments for year ended 31st July 2018

Bank balance as at 1 st June 2017		1800
Add Receipts		
Subscriptions	6000	
Raffle receipts	11000	
Food Stalls	2000	
Donations	<u>500</u>	<u>19500</u>
		21300
Less Payment		
Raffle prizes	7000	
Raffle tickets	900	

42. **Panina Cricket Club**
Raffle Activity Statement for year ended 31st July 2018

SL 4

43.

Panina Cricket Club
Food Stall Activity Statement for year ended 31st July 2018

--

SL 4

44. Discuss the importance of internal control system as a means for managing resources of an organization.

SL 4

STUDENT EDUCATION NUMBER									

ACCOUNTING

2018

(For Scorers only)

CURRICULUM STRANDS	Weighting	Scores	Check Scorer
STRAND 1: ACCOUNTING APPLICATIONS	30		
STRAND 2: FINANCIAL ACCOUNTING	34		
STRAND 3: THE ACCOUNTING PROCESS	36		
TOTAL	100		