

STUDENT EDUCATION NUMBER

GOVERNMENT OF SAMOA  
MINISTRY OF EDUCATION, SPORTS AND CULTURE

# Samoa School Certificate

# ACCOUNTING

## 2019

### 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 right 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
<b>STRAND 1:</b>	ACCOUNTING APPLICATION	2	36	20
<b>STRAND 2:</b>	FINANCIAL ACCOUNTING	5	90	50
<b>STRAND 3:</b>	THE ACCOUNTING PROCESS	17	54	30
<b>TOTAL</b>			<b>180</b>	<b>100</b>

Check that this booklet contains pages 2-24 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. The financial year for Healthy Drinks Ltd ends on 30<sup>th</sup> June 2019.  
Name ONE user of the financial statements prepared by this company.

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SL 1

2. Lesa ma Penn is a well-known accounting firm in Samoa.  
Name ONE area of accounting specialization which the partners of Lesa ma Penn can allocate their employees to work in.

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SL 1

**Use the information below to answer Numbers 3 to 8.**

Joe Fonte received some money from his grandfather who passed away in March 2018. Joe decided to invest that money in opening a retail shop in the village.

Joe knows that you are an accounting student and he has asked you to:

3. Describe the nature of accounting to him.

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SL 2

4. Identify ONE purpose of accounting.

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SL 1

5. Describe the area of accounting specialisation that would help Joe Fonte prepare the financial statements.

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SL 2

6. Explain ONE external user who would be interested in the financial statements of Joe Fonte's business.

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SL 3

7. At the end of the financial year, Joe Fonte asked you to help him prepare the financial statements of his business.

Explain the importance of receipts as a source document in business transactions.

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SL 3

8. After two years, Joe Fonte’s business grew bigger. Joe decided to move to another location.

Explain ONE important non-financial information that Joe needed to consider before he made the move.

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SL 3



12. Describe ONE characteristic of the type of ownership identified in Number 10 (page 5).

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SL 2

13. Identify the accounting concept that requires a business to prepare financial reports because the business is assumed to continue operation into the foreseeable future.

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SL 1

14. Which accounting concept requires the records of the owner and the business to be kept separately?

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SL 1

15. Define the historical cost concept.

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SL 1

In January 2019, Mililei Pisi set up two businesses with the following characteristics:

- (i) Mililei provided the initial capital and is the owner of the business.
- (ii) Mililei and her cousin Masi provided the initial capital. They both agreed to share the profits and losses from the business equally.

**16.** List the types of business ownership in accordance with the characteristics given.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

SL 2

**17.** In June 2019, Mililei bought shares in a company.

List TWO characteristics of a company.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

SL 2

**18.** Explain to Mililei the advantage of operating as a sole trader.

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SL 3

19. Mililei is also thinking about joining the local Tennis Club.  
Explain to her the difference between a company and a club or society.

SL 3

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Below is an example of the Owner's Equity Section for a sole trader Statement of Financial Position and the Owner's Equity Section for a company Statement of Financial Position.

<b>Kokolo Sole Trader</b>		
<b>Statement of Financial Position as at 30<sup>th</sup> June 2019</b>		
Owner's Equity		
Beginning Capital – Julie Kokolo		xxxx
Represented by:		
Balance as 1 <sup>st</sup> July 2018	xxx	
Plus: Net Profit	xx	
Less: Drawings	<u>xx</u>	
Balance as at 30 <sup>th</sup> June 2019		<u>xxx</u>
Ending Capital – Julie Kokolo		<u>xxx</u>
<b>J &amp; G Company Ltd</b>		
<b>Statement of Financial Position as at 30<sup>th</sup> June 2019</b>		
<b><u>Owner's Equity</u></b>		
(i) _____		xxxx
Represented by:		
(ii) _____	xxx	
(iii) _____	xxx	
Balance as at 30 <sup>th</sup> June 2019		<u>xxx</u>
Ending Capital		<u>xxxx</u>



20. Complete the Owner's Equity Section of the Company in the table (page 8).

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_

SL 3

21. List the accounting concepts that are characterized by the explanations given:

- (a) The business reports all relevant information about the business in the financial statements so that the users can make useful decision making.

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SL 2

- (b) The revenues of the business are matched with the related expenses incurred in generating those revenues during the same financial period.

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22. Explain the relationship between the 'Disclosure principle' and the 'Accounting Period concept'.

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SL 3

Use the information in the Statement of Financial Position of Seipua Enterprise below to answer Numbers 23 and 24.

<b>Seipua Enterprise</b>		
<b>Statement of Financial Position as at 31<sup>st</sup> December 2019</b>		
<b>Owner's Equity</b>		
Capital as at 1 January 2019		35,000
<i>Accumulated Funds:</i>		
Beginning balance	10,000	
Plus: Net Profit	12,000	
Less: Drawings	<u>(7,000)</u>	
Ending Accumulated Funds		<u>15,000</u>
Capital as at 31 December 2019		<u><b>50,000</b></u>
These funds are represented by:		
<b>Current Assets</b>		40,000
<b>Current Liabilities</b>		<u>(30,000)</u>
Working Capital		10,000
<b>Non-current Assets</b>		40,000
<b>Non-current Liabilities</b>		-
<b>Net Assets</b>		<u><b>50,000</b></u>

23. Analyse the accounting information given in the Statement of Financial Position of Seipua Enterprise.

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SL 3

24. Interpret the 'working capital' of \$10,000 shown in the financial statement.

SL 2

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Use the information below to answer Number 25.

<b>Tanumapua Marbles Club</b>		
<b>Statement of Income and Expenditure for the year ending 30<sup>th</sup> September 2019</b>		
<b>Income</b>	8,000	
Subscription fees	8,000	
Fundraising revenue	<u>5,000</u>	
<b>Total Income</b>		21,000
<b>Expenses</b>		
Rent	1,200	
Water rates	200	
Electricity	800	
Wages	6,000	
Other expenses	<u>5,000</u>	
<b>Total expenditure</b>		<u>13,200</u>
<b>Excess Income over Expenditure</b>		<b><u>7,800</u></b>

25. Analyse the financial performance of Tanumapua Marbles Club.

SL 3

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Use the information below to answer Number 27.

**T&T Partners**  
**Trial Balance as at 30 June 2019**

ACCOUNTS	DR	CR
Sales		95,000
Sales returns	1,500	
Purchases	14,000	
Purchases returns		1,200
Selling expenses	3,200	
General & Administration expenses	25,230	
Finance expenses	5,200	
Motor Vehicles (cost)	78,000	
Accumulated depreciation – motor vehicles		3,250
Office Equipment (cost)	13,000	
Accumulated depreciation – office equipment		540
Accounts receivable	7,400	
Bank	1,040	
Inventory 1 July 2018	11,000	
Prepayment	930	
Accounts payable		5,300
Bank loan		15,000
Capital – Tiara		18,000
Capital – Tasa		18,000
Accumulated Funds – Tiara		2,105
Accumulated Funds – Tasa		2,105
	<b><u>160,500</u></b>	<b><u>160,500</u></b>

**Additional Information:**

- (i) Inventory 30/06/2019 = \$10,000.
- (ii) T&T Partners depreciate all its fixed assets using the straight line method at 10% of its original cost.

27. Complete the Statement of Financial Performance for T&T Partners using the information (page 13).

SL 4

<b>T&amp;T Partners</b>		
<b>Statement of Financial Performance for the Year Ending 30 June 2019</b>		
	\$	\$
Sales		95,000
Less: sales returns		(1,500)
<b>Total Sales</b>		<b>93,500</b>
<b>Cost of Goods Sold</b>		
Beginning inventory		
Goods available for sale	23,800	
Ending inventory		
<b>Cost of Goods Sold</b>		
Gross Profit		79,700
<b>Expenses</b>		
	5,200	
Depreciation – motor vehicle		
	7,800	
<b>Total Expenses</b>		<b>42,730</b>
<b>Net Profit/(Loss)</b>		



31. Name the accounting concept used when business and personal records are kept separate.

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SL 1

32. List the components of the Owner's Equity section of the Statement of Financial Position for a Club or Society.

Club/Society Owners' Equity

SL 2



Prepare the general journal entries to record the following balance day adjustments for Pet Rentals whose financial year ending is 31 December 2019. Narrations are not required.

- 33.** On 1 July 2019, Pet Rentals took in a new tenant who paid 12 months' worth of rental payment of \$1,800 on that same day. Rent is \$150 per month.

**General Journal**

Date	Particulars	Dr	Cr
31/12/2019			

SL 1

- 34.** Pet Rentals paid on 1 May 2019 12 months of insurance on building of \$1,200 for 12 months starting on 1 May 2019 to 30 April 2020.

**General Journal**

Date	Particulars	Dr	Cr
31/12/2019			

SL 1

- 35.** Describe the straight line depreciation method.

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SL 2

37. Aoa Company Ltd bought a delivery truck for \$120,000 on 31 March 2018. The financial year end is 31 December. Aoa Company Ltd uses the diminishing value method of depreciation at the rate of 15% per year. The delivery truck will have zero residual value at the end of its useful life.

Complete the following Depreciation Schedule for the delivery truck for 2018 and 2019.

Depreciation Schedule for the Delivery Truck				
Year Ending	Original Cost	Annual Depreciation	Accumulated Depreciation	Net Book Value
December 2018	120,000			
December 2019	120,000			

SL 3

Use the given source documents to answer Numbers 38 – 40.

The following source documents are from the records of KK Mart, a manufacturer of dairy products.

**Invoices Issued:**

KK Mart Dairy Products Ltd Invoice #001			
<b>Issued to:</b> Ah Van Wholesale Ltd		<b>Date:</b> 22 May 2019	
Item Code	Particulars	Unit Price \$	Total Sales \$
105	20 boxes of 5kg butter (10 containers of 5kg butter per box)	40.00	800.00
<b>Total</b>			<b>800.00</b>

KK Mart Dairy Products Ltd Invoice #002			
<b>Issued to:</b> Sweet Tooth Cafe		<b>Date:</b> 30 May 2019	
Item Code	Particulars	Unit Price \$	Total Sales \$
111	20 boxes of milk (10 cartons per box)	25.00	500.00
<b>Total</b>			<b>500.00</b>

**Invoices Received:**

<b>Tiavi Cattle Farm Cooperative Invoice # 110</b>	
Issued to: <b>KK Mart Dairy Products Ltd</b>	Date: 3 May 2019
Sale of 50 litres of raw milk - \$4 per litre	\$200.00

<b>Tiavi Cattle Farm Cooperative Invoice # 155</b>	
Issued to: <b>KK Mart Dairy Products Ltd</b>	Date: 15 May 2019
Sale of 30 litres of raw milk - \$5 per litre	\$150.00

- 38.** Record the information from the source documents for the month of May 2019 in the appropriate journals.

**Sales Journal**

Date	Particulars	Invoice #	Debit	Credit

**Purchases Journal**

Date	Particulars	Invoice #	Debit	Credit

SL 4

39. Post the information in the Sales Journal and the Purchases Journal in Number 38 (page 19) in the appropriate subsidiary ledger accounts.

**Additional information:**

Payment of \$600 was received from Ah Van Wholesale Ltd on 31 May 2019.  
 Payment of \$400 was made on 31 May 2019.

SL 2

Accounts Receivable Ledger					
Date	Particulars	Debit	Credit	Balance	
1 May 2019	Beginning balance			400.00	Dr

Accounts Payable Ledger					
Date	Particulars	Debit	Credit	Balance	
1 May 2019	Beginning balance			230.00	Cr

SL 2

40. Identify which general ledger accounts in Number 39 above will appear in the Profit & Loss account.

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SL 1

41. Identify which general ledger accounts in Number 39 (page 20) will appear in the Balance Sheet.

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SL 1

**Use the given information to answer Number 42.**

The following payments were made by Maui Catering for the month of August, 2019:

- August 1<sup>st</sup> Purchased supplies for \$690 cash
- 8<sup>th</sup> Paid wages \$350
- 25<sup>th</sup> Cash purchases \$598
- 30<sup>th</sup> Paid cleaning service \$149.50

42. Complete and total Maui Catering's Cash Payment Journal with VAGST of 15% inclusive where relevant.

MAUI CATERING CASH PAYMENTS JOURNAL						
DATE	PARTICULAR	BANK	GST	PURCHASES	WAGES	SUNDRY

SL 4

43. One of Kangaroo Soccer Club's ways of earning income is from subscriptions by club members. Contrast 'subscriptions in advance' and 'subscriptions in arrears'.

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SL 3

Use the given information to answer Numbers 44 and 45.

The following is a Statement of Receipts & Payments for Laufala Weaving Club for the month ending 30<sup>th</sup> September 2019. Laufala Weaving Club operates a canteen to help raise revenues.

Laufala Weaving Club			
Statement of Receipts and Payments for month ending			
30 <sup>th</sup> September 2019			
Bank balance as at 1 September 2019			2,200
<b>Add Receipts:</b>			
Subscriptions	650		
Canteen receipts	8,800		
Bingo receipts	1,600		
Sponsorships	<u>8,000</u>		
			<u>19,050</u>
			21,250
<b>Less Payments:</b>			
Canteen supplies	4,300		
Canteen wages	2,880		
Bingo prizes	350		

**Additional information:**

Inventory at 1 September, 2019 2,400  
 Inventory at 31 September, 2019 2,800

44. Prepare a Trading Statement for the Club's Canteen for the month of September, 2019.

SL 4

<b>Laufala Weaving Club Canteen</b> <b>Trading Statement.....</b>		

45. Identify from the Statement of Receipts and Payments the account(s) to appear in the Canteen's Profit or Loss Statement.

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SL 1

46. Define the term 'internal control'.

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SL 1

STUDENT EDUCATION NUMBER									

## ACCOUNTING

2019

(For Scorers only)

CURRICULUM STRANDS	Weighting	Scores	Check Scorer
<b>STRAND 1:</b> ACCOUNTING APPLICATIONS	20		
<b>STRAND 2:</b> FINANCIAL ACCOUNTING	50		
<b>STRAND 3:</b> THE ACCOUNTING PROCESS	30		
<b>TOTAL</b>	<b>100</b>		