

STUDENT EDUCATION NUMBER



GOVERNMENT OF SAMOA
MINISTRY OF EDUCATION, SPORTS AND CULTURE

Samoa Secondary Leaving Certificate

ACCOUNTING

2019

QUESTION and ANSWER BOOKLET

Time allowed: 3 Hours & 10 minutes

INSTRUCTIONS

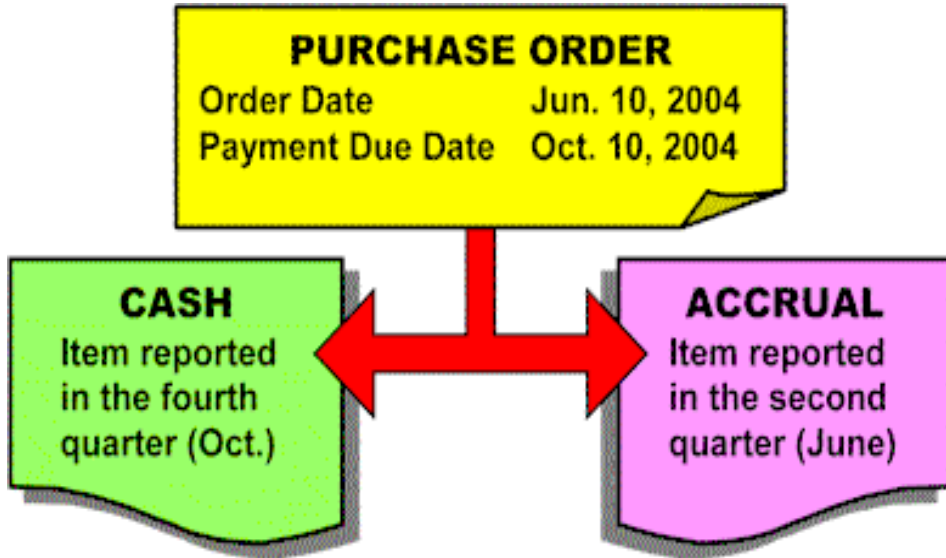
1. You have 10 minutes to read **before** you start the exam.
2. Write your **Student Education Number (SEN)** in the space provided on the top right hand corner of this page.
3. **Answer ALL QUESTIONS.** Write your answers in the spaces provided in this booklet.
4. If you need more space, ask the Supervisor 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
STRAND 1:	CONCEPTUAL BASIS OF ACCOUNTING	2	18	14
STRAND 2:	PROCESSING	7	36	8
STRAND 3:	ACCOUNTING SUBSYSTEMS	9	54	42
STRAND 4:	ACCOUNTING REPORTS	21	54	22
STRAND 5:	ANALYSIS, INTERPRETATION AND MAKING DECISIONS	26	18	14
TOTAL			180	100

Check that this booklet contains pages 2-29 in the correct order and that none of these pages are blank.

HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION

Use the illustration below to answer Number 1.



1. Compare cash accounting and accrual accounting.

SL 3



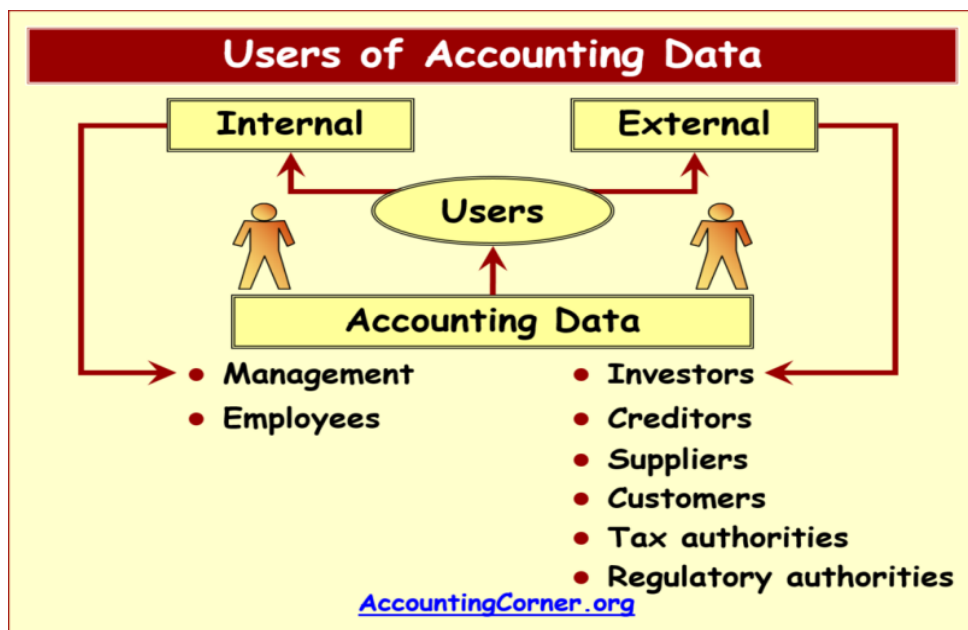
2. Describe the accounting concept shown by the diagram above.

SL 2



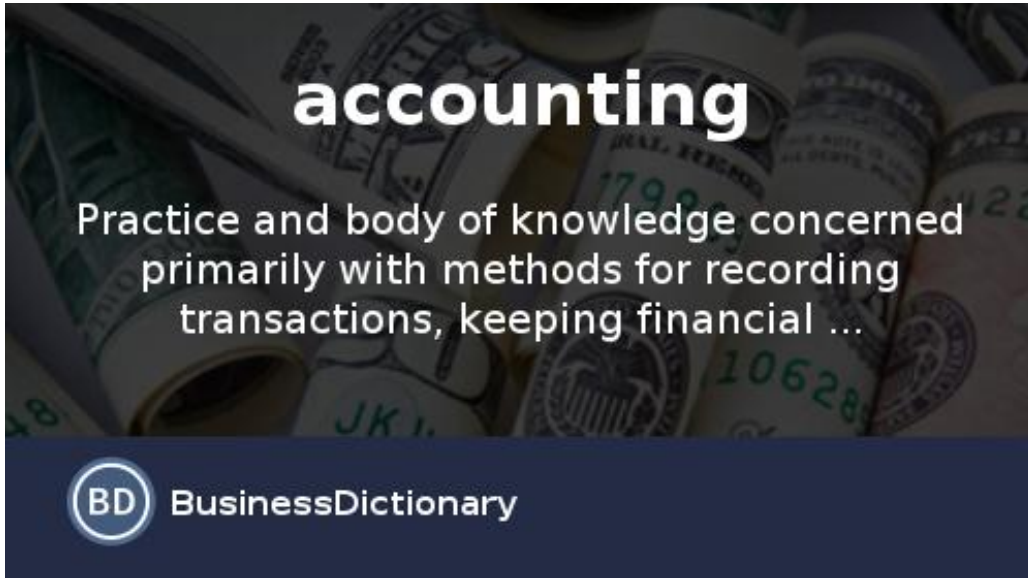
3. Describe the current asset shown in the given illustration.

SL 2



4. From the illustration above, explain how suppliers use accounting data (information).

SL 3



5. Use the given definition to discuss the function of accounting.

SL 4

Use the information in the given general journal to answer Numbers 6 and 7.

General Journal

31/03/19	Commission revenue	500	
	Profit and Loss		500
	(closing off commission revenue to Profit and Loss account)		
	Profit and Loss	2000	
	Sales salaries		2000
	(closing off sales salaries to Profit and Loss account)		
	Insurance	300	
	Prepaid insurance		300
	(Reversing entry)		

6. Explain ONE need to close off all the expense and revenue accounts to the Profit and Loss account as shown above.

SL 3

7. Explain the need for reversing entries.

SL 3

No__ Petty Cash Voucher Date _____ Person _____ Particulars _____ Account to be charged _____ Signed _____ \$_____ Authorised _____

8. Define the source document given above.

SL 1

9. Identify ONE detail which is common in all the source documents.

SL 1

Use the given information to answer Numbers 10 and 11.

Eric MJ found the following information after preparing the bank reconciliation statement on 31st July 2019.

- (a) Cheque #234 of \$300 from T.Grace was dishonoured due to insufficient funds
- (b) Cheque #275 of \$540 for T.Freyra should be \$450

10. Complete the bank reconciliation dishonoured cheque procedure given in (a) above.

Cash Payments Journal

Date	Particulars	Chq #	Bank	Purchases	Creditors	Sundries

SL 2

11. Complete the bank reconciliation correction of errors procedure given in (b) above.

<p>Eric MJ Bank Reconciliation Statement as at 31st July 2019</p> <p>Cr Balance as per bank statement</p> <p>Dr Balance as per bank account</p>
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SL 2

12. In Eric MJ's bank statement, a direct deposit was made by Nua Patty of \$100 on 25th July 2019. Complete the bank reconciliation direct credits.

Cash Receipts Journal (Extract)

SL 2

Date	Particulars	Recp #	Receipts	Bank	Debtors	Sales

13. Bank fees of \$10 was also shown in the same bank statement in Number 12 above which decreased the balance. Complete the bank reconciliation automatic payments procedure.

Cash Payments Journal

SL 2

Date	Particulars	Chq #	Bank	Purchases	Creditors	Sundries

Bank statement debit (dr) balance at 31 st Oct 2019		\$200
Deposits not credited		\$340
Unpresented cheques:	#215	\$210
	#216	\$30
Bank account has an overdraft of		\$100

14. Use the information above to prepare a bank reconciliation statement as at 31st Oct 2019 for Natelya Enterprises.

<p>Natelya Enterprises Bank Reconciliation Statement</p>
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SL 2

15. Record this transaction in the Cost of Goods Sold account in the general ledger using the perpetual inventory system.

On 30th September 2019, Grace's business sold goods on credit to Nua Ayako's business for \$500, the cost price was \$290.

Cost of Goods Sold					
Date	Particulars	Folio	Debit	Credit	Balance

SL 1

Use the given information to answer Numbers 16 and 17.

On June 1st 2019, the balance on hand of Product Y, code 2127 was 80 units at \$10 per unit.

16. Record the above transaction in a stock ledger card using the **First-In-First-Out** (FIFO) valuation method.

Stock Ledger Card										
<i>Description</i>		<i>Product Y</i>		<i>Code</i>		<i>2127</i>				
<i>Maximum Quantity</i>		<i>400</i>		<i>Reorder point</i>		<i>100</i>				
<i>Minimum Quantity</i>		<i>20</i>		<i>Reorder quantity</i>		<i>100-250</i>				
Date	Particulars	In			Out			Balance		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost

SL 1

17. Record the same transaction in a stock ledger card using the **Weighted Average Cost** (WAC) valuation method.

Stock Ledger Card										
<i>Description</i>		<i>Product Y</i>		<i>Code</i>		<i>2127</i>				
<i>Maximum Quantity</i>		<i>400</i>		<i>Reorder point</i>		<i>100</i>				
<i>Minimum Quantity</i>		<i>20</i>		<i>Reorder quantity</i>		<i>100-250</i>				
Date	Particulars	In			Out			Balance		
		Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost	Qty	Unit Cost	Total Cost

SL 1

Use the given information to answer Numbers 18 to 20.

Purchases Journal

Date	Accounts Payable	Inv #	Debit	Credit
Apr 4	T.Smith	1276		4200
15	G.Eric	276		176
21	F.Murphy	11		<u>720</u>
30	_____	Dr	<u>\$5096</u>	
	Accounts Payable Control	Cr		

Schedule of Accounts Payable as at 1st April 2019

4101.1	T. Smith	\$460
4101.2	G. Eric	\$980
4101.3	F.Murphy	<u>\$1300</u>
	Balance	<u>\$2740</u>

18. Identify the contra account to be debited for the \$5096 amount in the Purchases Journal.

SL 1

19. Identify the amount from the Schedule of Accounts Payable to be credited to the Accounts Payable Control account.

SL 1

20. In the Accounts Payable subsidiary ledger, show G.Eric's opening balance.

G.ERIC

Date	Particulars	Debit	Credit	Balance

SL 1

21. State the formula for the straight line method of depreciation.

SL 1

22. In which financial statement is the depreciation expense recorded?

SL 1

23. A motor vehicle was purchased on 1st June 2019 for \$10,000 and had a residual value of \$4000. The rate of depreciation was 20% of the diminishing balance.

Complete the table below showing amounts for the three years.

Year	Basis of calculation	Depreciation	Balance
1			
2			
3			

SL 3

Use the given information to answer Numbers 24 to 26.

_____ _____ for Week ending 31 st July 2019													
No	Names	Hours			Earnings			Gross Pay	Deductions				Net Pay
		Ordi	1 ½ times	Double	Ordi	1 ½ times	Double		Tax	NPF	SLAC	Others	
01	N Ayako	40			340			340	53	20	10	5	252
02	T Grace	40	2		400	30	40	470	95	30	20	10	315
03	T Freyna	40	3		430	37		467	59	15		10	383

24. Interpret the given source document used in the payroll subsystem including its specific name.

SL 3

25. For each pay period, a cheque is drawn for the total amount of net pay owing to employees. Show the details in the Cash Payments Journal.

Cash Payments Journal

Date	Particulars	Chq No	Discount Allowed	Bank	Wages	Sundries

SL 3

26. Record the employees' wages and deductions shown on the source document above, in the General Journal.

Show the general journal entries for wages.

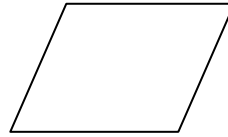
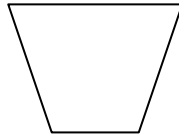
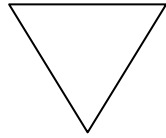
General Journal

Date	Particulars	Folio	Debit	Credit
July 31				

SL 4

27. Document flowcharts provide a visual representation of the flow of documents through a business.

Discuss the following symbols used to represent the document flowchart in each subsystem. Include also the name for each symbol in your discussion.



SL 4

28. The following is a statement from a report written by an accounting student about a small firm.

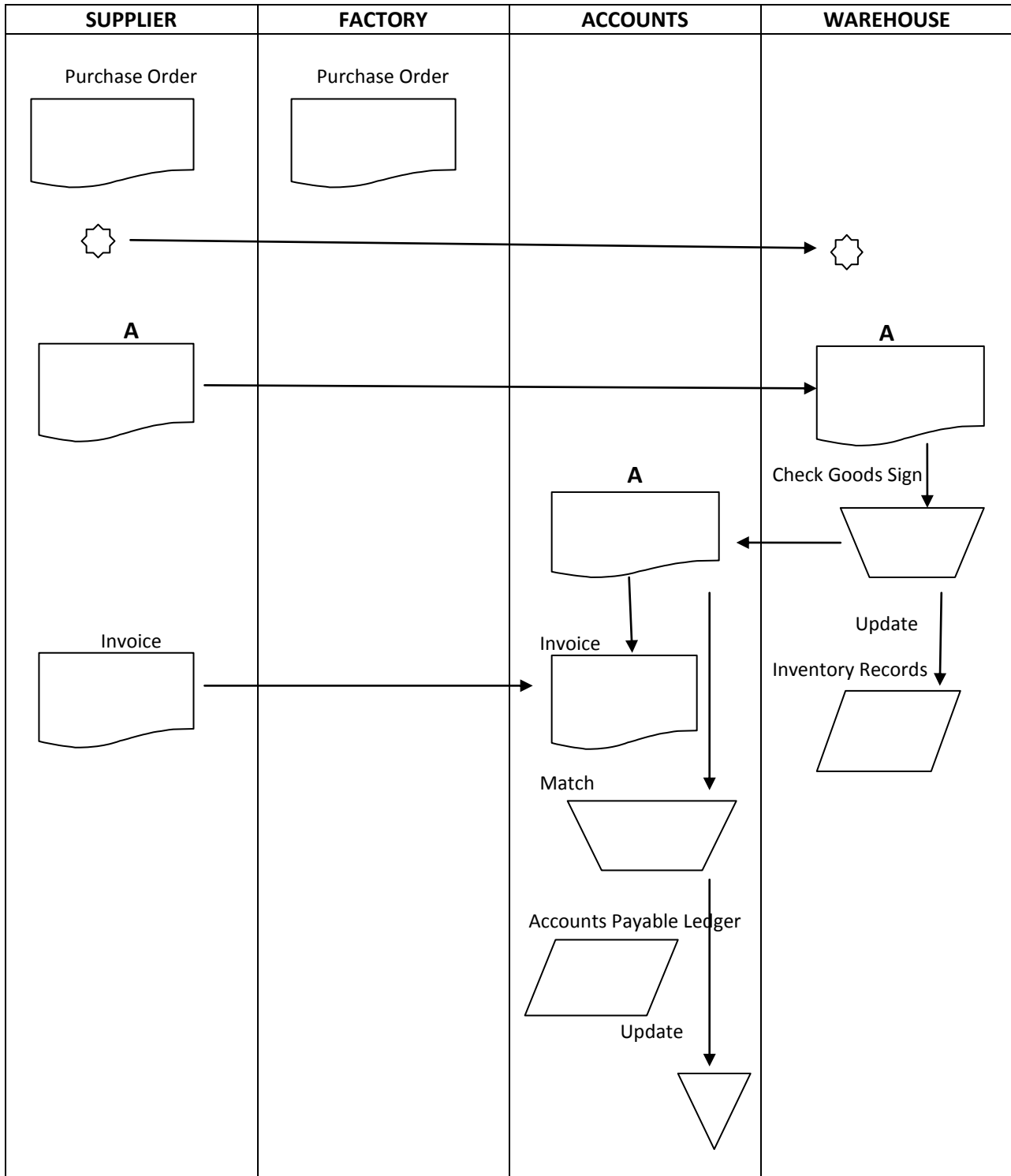
“There are not enough people to separate all the duties properly. The owner does nothing himself so he depends on the honesty of his staff. There’s only one person who handles all the cash receipts, does the banking and also writes the cheques. One day, somebody will steal from him”.

Explain to the owner what tasks he should do himself with some recommendations to improve the internal control over cash.

SL 3

Use the given information to answer Number 29.

EGT Pet Products
Purchases and Accounts Payables Subsystem as at 1st July 2019



Complete the date for each financial statement in Numbers 30 to 32.

30.

NGF Enterprises	
Statement of Financial Position _____	
Capital	160000
Less Net Loss	<u>10000</u>
	150000
Less Drawings	<u>15000</u>
	<u>\$135000</u>
Assets	<u>\$135000</u>

SL 1

31.

NGF Enterprises	
Statement of Financial Policies _____	
<u>REPORTING ENTITY:</u>	
NGF Enterprises is a Sole Trader type of business trading merchandise goods only.	
<u>COMPLIANCE WITH FRS:</u>	
The financial statements comply with Financial Reporting Standards.	
<u>MEASUREMENTS:</u>	
The financial statements have been prepared on the basis of historical cost.	
<u>SPECIFIC ACCOUNTING POLICIES:</u>	
The following specific accounting policies which materially affect the measurement of Financial Performance and Financial Position have been applied;	
Fixed Assets are stated at cost less accumulated depreciation.	
Inventory is stated at the lower of cost or net realizable value.	
Cost is based on first in first out basis.	
Depreciation is charged using the Diminishing Value Method.	

SL 1

32.

NGF Enterprises	
Statement of Cash Position _____	
<i>Cash Receipts</i>	
Cash was provided from:	35000
<i>Cash Payments</i>	
Cash applied to:	15000
<i>Net increase in cash held</i>	20000
Cash 1 st June 2017	25000
<i>Balance at 31st July 2018</i>	45000

SL 1

33. List the TWO equity accounts in the Statement of Financial Position in Number 30 (page 21).

SL 2

34. List the features of the given Statement of Accounting Policies in Number 31 (page 21) which identifies the type of business organisation and the type of business activity.

SL 2

35. Describe the feature “*Net increase in Cash held*” from the given Statement of Cash Position in Number 32 (page 22).

SL 2

36. Explain the function of the Statement of Financial Position.

SL 3

37. Explain the function of the Statement of Accounting Policies.

SL 3

Use the given information to answer Numbers 38 and 39.

The NGF Athletic Club had a bank balance of \$95 on 1st June 2019. The following are the Receipts and Payments for the month of June. All these are cash basis only.

Receipts:	\$	Payments:	\$
N. Ayako-subscriptions	10	Purchase of refreshments	15
T. Grace- subscriptions	10	Rent of Court	40
T.Freyrna- donations	40	Purchase of refreshments	10
MJ Eric-subscriptions	10	Rent of Court	60
Entrance fees	20	Postage	15
Sale of refreshments	15	Electricity board	45
T.Freyrna-donations	20	Repairs to equipment	16
-subscriptions	10	Telephone	21
Sale of refreshments	36		
Bank interest	4		

38. Prepare the Trading Account for its Refreshments Activity using the Vertical Form.

SL 3

NGF Athletic Club		
Trading Account for Refreshments Activity for month of June 2019		

Opening Refreshments Stock 1/6/19	\$10
Ending Refreshments Stock 30/6/19	\$5

39. Prepare the Statement of Receipts and Payments for the month ending 30th June 2019 of NGF Athletic Club from the given information on page 24.

NGF Athletic Club			
Receipts and Payments for the month ending 30th June 2019			
<i>Receipts</i>	\$	<i>Payments</i>	\$

SL 4

Use the given information to answer Numbers 40 and 41.

**Grace Freyna’s Trading Business
Revenues and Expenses for month of July 2019**

	\$
Sales	2,000,000
Cost of Goods	1,500,000
Selling Expenses	160,000
Administrative Expenses	120,000
Finance Expenses	100,000

40. Calculate the finance expenses percentage.

SL 2

41. Calculate the net profit percentage.

SL 2

Use the given information to answer Numbers 42 and 43.

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proprietorship %	52%	49%	38%
Rate of stock turnover	10 times	8 times	6 times

42. Explain the trend in the proprietorship percentage over the three years.

SL 3

43. Rate of stock (inventory) turnover indicates the liquidity of inventories.

Explain this entity's management effectiveness using the given comparative figures for the three years.

SL 3

Use the given Statement of Financial Performance to answer Number 44.

Nafanua Ayako
Statement of Financial Performance for year ended 31st July 2019

	\$	\$
Sales (cash)		190,000
Less Cost of Goods Sold		
Opening inventories	29,000	
Add Purchases (cash)	99,000	
	128,000	
Less Closing Inventories	28,000	
		100,000
Gross profit		90,000
Less expenses		
Wages	40,000	
Interest paid	2,000	
Other operating expenses	38,000	80,000
Net profit		10,000

Additional information

- Drawings \$5,000
- All expenses have been made by cash

44. Discuss the operating activities (inflows and outflows) from the given statement which would be included in preparing the Statement of Cash Flow.

SL 4

STUDENT EDUCATION NUMBER									

ACCOUNTING

2019

(For Scorers only)

CURRICULUM STRANDS	Weighting	Scores	Chief Scorer
STRAND 1: CONCEPTUAL BASIS OF ACCOUNTING	14		
STRAND 2: PROCESSING	8		
STRAND 3: ACCOUNTING SUBSYSTEMS	42		
STRAND 4: ACCOUNTING REPORTS	22		
STRAND 5: ANALYSIS, INTERPRETATION AND MAKING DECISIONS	14		
TOTAL	100		