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Samoa School Certificate

ACCOUNTING

2022

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 paper to write your answers, 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.

	STRANDS	Pages	Time (min)	Weighting
STRAND 1	ACCOUNTING APPLICATION	2-4	36	20
STRAND 2	FINANCIAL ACCOUNTING	5-13	90	50
STRAND 3	THE ACCOUNTING PROCESS	14-18	54	30
	TOTAL		180	100

Check that this booklet contains pages 2-19 in the correct order.

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

Read the passage below to answer Questions 1-5.

Melissa Mani is the owner of 'Mani Bakery Store'. She prepares financial reports for her business. The business locates in Apia. She is planning to expand her business to Savai'i.

Which area of accounting does Melissa Mani specialize in?	
	SI
Name the Ministry that is interested in the profit or loss of her business.	
	SI
List FOUR source documents that Melissa issues to customers at her business every day.	
	SI
Describe the basic function of accounting that Melissa does in her role as an accountant.	
	SI

		SI
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he passage below to answer Question 6. Peni Allen, a fireman at Ofu Station, cares little at for receipts after making payments.	bout his telephone bills and never asks	;
Peni Allen, a fireman at Ofu Station, cares little a	bout his telephone bills and never asks	
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Read the passage below to answer Question 7.

Plumbers Association plans a basic accounting training for its new executive council.	
Define accounting to members of the association.	
	SL 1
Discuss the importance of accounting to the association.	
	SL 4
	
Complete the table below to show how each party uses the association's accounting information.	

Users	Use of Accounting Information	SL 3
Suppliers		
Banks		
Members		

AND 2	FINANCIAL ACCOUNTING	WEIGHTING 50
Describe Histori	ical Cost Concept.	
		SL 2
Identify the according transactions.	ounting concept used when assigning money values to differ	ent
		SL 1
Explain the rela	tionship between the accounting concepts mentioned above	SL 3
		·
		
		

The information below was extracted from Mai Motors Ltd financial statements.

Mai Motors Ltd Statement of Financial Position as at 31st July 2022

<u>(\$ 8,000</u>)

\$182,000

\$32,700

Issued and Paid-Up Capital 190,000 \$1 shares \$190,000

Uncalled capital @40sene Per share on 20,000 shares

Shareholders' Equity:

Retained Earnings

Total Shareholders' Equity

Less:

	Total Shareholders' Equity	\$ <u>214,700</u>	
Descr	be the term Retained Earnings.		
			SL 2
Explai	n the different accounts given in the extract abov	e.	
			SL 3
What	accounting concept that recognizes the existence	of Mai Motors Ltd?	
vviiac	accounting contespt that recognizes the existence	or mar motors ata.	
			SL 1

vehicles are purchased from Mai Motors Ltd.	
What type of business ownership did they establish?	
	SL 1
Name ONE way of financing their business ownership.	
	SL 1
Differentiate between T & L Car rentals and Mai Motors Ltd.	
	SL S
	
Which business ownership has similar advantages to T & L Car Rentals?	

Tima and Line are closest friends who co-own the T & L Car Rentals since 2010. Their

Keri Sio runs a Massage Clinic in town. She provides you her accounts for the month ending 31st July 2022.

Cash in Hand	\$ 2,500	Owner's Contribution	\$ 193,724
Building	\$ 250,000	Loan at BSP	\$ 4,000
Wages	\$ 1,500	Service Revenue	\$ 120,000
Motor Vehicle	\$ 25,000	Mortgage on Land	\$ 150,000
Advertising	\$ 2,250	Commission Revenue	\$ 65,000
Supplies Expenses	\$ 3,600		
Cleaning	\$ 124		
Electricity	\$ 550		
Drawings	\$ 500		
Cash at Bank	\$ 240,000		

20. Prepare a fully classified Statement of Financial Performance for Keri's business.

	Sio's Massage Cli		
Statement of Financial Perfo	ormance for the m	nonth ending 31st	July 2022

SL 4

Jenny and Paul are planning to set up their homemade furniture business. Jenny wants to register as a sole trader while Paul opts for limited company.

21. Complete the table below to compare the two types of business ownership.

22.

23.

24.

	Auditing	Liability	Capital	Management	Ownership
SL 3					Sole Trader
					Limited Company
_					
- SL 2	neir financial	use to present th	enny and Paul car	ng methods that Je	
-	neir financial			wnership has an u	tatements.
SL 2	neir financial				tatements.
-		xistence?	unlimited life of ea		Vhich business o

MOBA Cultural Club has its Annual General Meeting at the end of January every year. Its financial statements for 2022 must be ready before the end of January 2023 to present to its members at the meeting.

Subscription	\$10,000	Additional information:
Equipment	\$ 5,600	at 1 st November 2021
Refreshments Sales	\$ 3,700	Cash at Bank was \$6,050.
Refreshments Purchases	\$ 2,000	
Social Takings	\$ 2,000	
Social Expenses	\$ 800	
Donation	\$ 450	
Rent Expenses	\$ 1,500	
Secretary's Honorarium	\$ 600	

25.	Name a characteristic relating to profit for a Club.	
		SL 1

26. Prepare a fully classified Statement of Receipts and Payments for MOBA Cultural Club.

	AOBA Cultura			
Statement of Receipts and P	ayments for t	he year ended 31st	October 2022	
				SL 4
				_
				\perp

The following information was shown in the Balance Sheet of Mani Bakery Store.

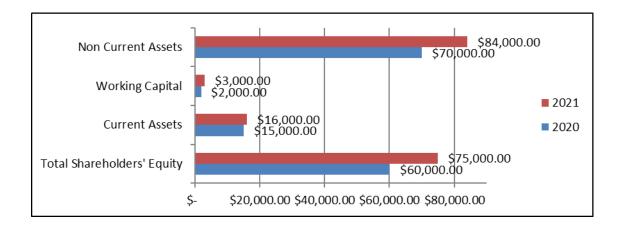
Sales	\$ 20,000	Owner's Equity at 1 st January 2021	\$ 34,000
Gross Profit	\$ 11,250	Owner's Equity at 31st December 2021	\$ 31,750
Net Profit	\$ 6,000		

27. Give an explanation of what the net profit of \$6,000 indicates.

28. Make a comment on the change in Owner's Equity.

 _	

Jenny and Paul commenced their company named 'Home Furniture Ltd'. They presented their business financial records for the first two years of operation.



SL 2

SL 2

Formula	Current Ratio 2020	Current Ratio 2021	
Formula	Equity Ratio 2020	Equity Ratio 2021	
Comment on the Cu	crent Ratios calculated above		
Comment on the Cui	rent Ratios calculated above.		
Comment on the Cui	rent Ratios calculated above.		
Comment on the Cui	rrent Ratios calculated above.		
Comment on the Cui	rrent Ratios calculated above.		
Comment on the Cui	rent Ratios calculated above.		
Comment on the Cui	rent Ratios calculated above.		
Comment on the Cui	rent Ratios calculated above.		
Keri Sio owns a pri	ivate home valued at \$136,000 an		
Keri Sio owns a pri			
Keri Sio owns a pri in her business. Ke	ivate home valued at \$136,000 an	s in the business as \$146,000.	

Identify the component in her accounts that is incorrectly recorded.	
	SL
Different businesses have different ways for establishment.	
Different businesses have different ways for establishment.	
Use the statement above to discuss the four types of business ownerships.	
	SL

Melissa expanded her bakery business to Salelologa in Savai'i. She showed to Rita, her new shop assistant, the filling of her record keeping books.

March 1	Deposit Slip	Melissa deposited cash at ANZ Bank Ltd of \$3,500.
	Chq #3001	Melissa purchased a delivery van for \$15,000 cash.
3	Chq #3002	Issued cheque for repairing cash register machine \$300.
5	Chq #3003	Purchased goods for \$8,100.
	Rct #045-1	Sold goods for cash \$3,000.
7	Chq #3004	Paid for the shop's cash power \$360 and Telephone connection \$270.00.

34.	Record the transactions above and apply the 15% VAGST into the Cash Payment
	Journal below.

SL 4	

Cash Payments Journal

Date	Particulars	Details	Bank	VAGST	Electricity	Telephone	Sundries
			\$	\$	\$	\$	\$

35. Use the transactions above to post relevant information into the General Ledger Account below.

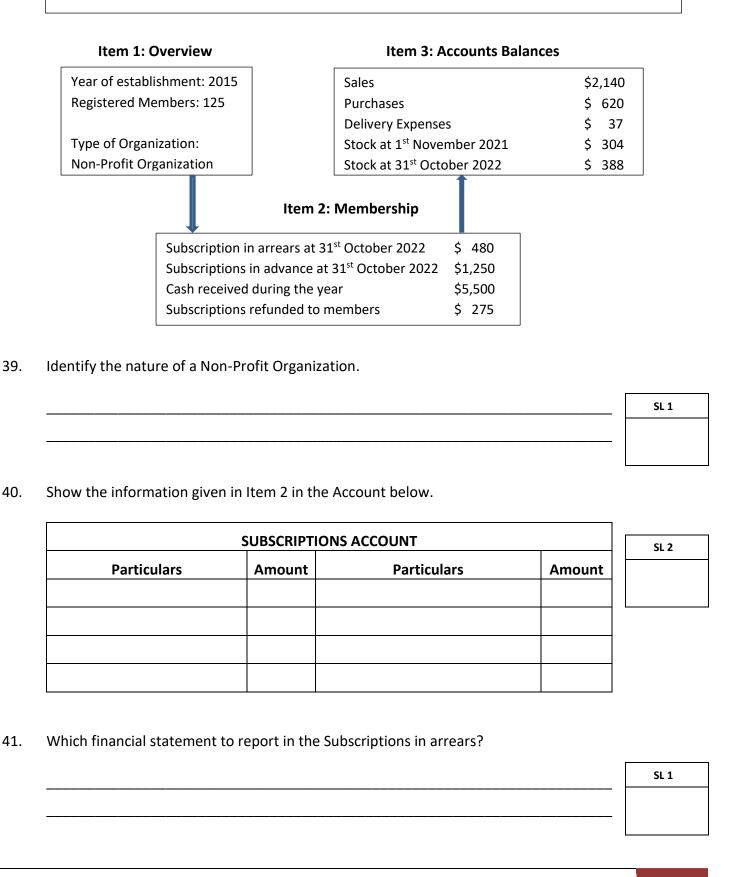
General Ledger: Cash Account

Date	Particulars	Debit	Credit	Balance
March 1	Balance			\$20,000 Cr

SL 2	

Malissa also briofod			
ivielissa also briejea	Rita on the accounting systems an	d practices in her business.	
Complete the table baccounting systems.	elow to show the comparison for t	he computerized and manual	
STAGE	COMPUTERIZED	MANUAL	7
	COM CTEMEED	MANOAL	
INPUT			
PROCESS			
ОИТРИТ	co of internal control system as a n	poons for managing resource of	.f
ОИТРИТ	ce of internal control system as a n	neans for managing resource o	of
OUTPUT Discuss the importan	ce of internal control system as a n	neans for managing resource o	ļ
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Due to COVID-19 Lockdown, MOBA Cultural Club's Treasurer held zoom meetings to present the club's financial statements to the members.



			ng the Stateme	it below.		
	Canteen Trac		BA Cultural Clu for the year en		oher 2022	
	Canteen mad	anig Account	Tor the year en		ODCI 2022	
	information below w	as extracted j	from the book o	of MOBA Cult	tural Club on bala	nce date,
31 st (October 2022.					
•	Item 1 – Advertising ex	pense of \$800) has been paid i	n advance.		
_	lance O . It is president to . It	l +ha+ 6200 ''	l not be noted for	n tha saute :	o'o outoton din -	
	Item 2 – It is estimated accounts receivable ow			n the canteer	i s outstanding	
		4				
•		m costing S15.	000 was purchas	sed in Octobei	r 2020 is	

45.	Prepare the General Jo	ournal entry for I f	tem 2 (page 17).	No narration required.
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Date	Particulars	Debit	Credit	SL 1

46. Calculate the depreciation expense as stated in Item 3 (page 17) for its first 3 years.

Years	Calculation	Depreciation Value
2021		
2022		
2023		

SL 3

47. Show the effect of Item 3 in the financial statement given below.

MOBA Cultural Club Statement of Financial Position (extract) as at 31 st October 2022						

SL 2

STUDENT EDUCATION NUMBER									

ACCOUNTING

2022

(For Scorer only)

	STRANDS	Weighting	Scores	Check Scorer	AED check
SECTION 1:	ACCOUNTING APPLICATION	20			
SECTION 2:	FINANCIAL ACCOUNTING	50			
SECTION 3:	THE ACCOUNTING PROCESS	30			
	TOTAL	100			