STUDENT EDUCATION NUMBER

GOVERNMENT OF SAMOA
MINISTRY OF EDUCATION, SPORTS AND CULTURE

Samoa Secondary Leaving 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	CONCEPTUAL BASIS OF ACCOUNTING	2-3	25	14
STRAND 2	PROCESSING	4	14	8
STRAND 3	ACCOUNTING SUBSYSTEMS	5-11	76	42
STRAND 4	ACCOUNTING REPORTS	12-15	40	22
STRAND 5	ANALYSIS, INTERPRETATION AND DECISION MAKING	16-17	25	14
	TOTAL		**180**	**100**

Check that this booklet contains pages 2-18 in the correct order.
HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

1. Before we commence a business, we usually ask the bank for fund to start its operations.

    Give an example of a liability.

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    _____ | **SL 2**

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2. Bankers and financial institutions are sources of funds for businesses and personal matters.

    Describe how creditors use accounting information.

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    _____ | **SL 2**

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3. Explain the relationship between owner's equity, liabilities (sources of funds) and assets (use of funds), using the accounting equation OE = A-L.

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4. Explain the relationship between the accounting concepts; Accounting Period and Historical Cost.

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5. Daily business transactions are recorded in the appropriate Books of First Entry for record keeping and control.
Discuss the function of accounting.

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6.   Every month Sam always receives rent from his tenants living at his properties.
      Define Revenue Transaction.

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      _____ | **SL 1** |
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7.   Sundry Accounts Receivables names are recorded in the Sales Journal using the
      original copies of all the invoices received by the business.
      Why do these names also appear in the Sales Returns Journal?

      _____ | **SL 1** |
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8.   Explain Capital transactions.

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      _____ | **SL 3** |
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9.   Explain the debit and credit rules of liability accounts, used for processing accounting
      transactions.

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      _____ | **SL 3** |
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10. Record the following transaction on the receipt below.
    Received $150.00 from Siaosi Samoa for payment of 1 box of chicken on 6 June 2022.

R-1200	**VJ Shop**

Date:_____

Received from _____ the

Sum of _____

_____

$_____

For

SL 1

11. In 2015, the owner of Ted's Bakery Shop bought a delivery van for $20,000SAT. This year, he wants to re-sell it for $5,000SAT after using it for seven years.
    Define Depreciation.

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SL 1

12. A Fixed Assets Register is prepared each time a fixed asset is purchased.
    Identify any **ONE** input element to be included in the detail for a Fixed Assets Register.

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SL 1

13. Name the financial statement where depreciation expense is recorded.

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SL 1

14. Identify any **ONE** internal control weakness for a fixed assets subsystem.

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SL 1

Use the following information to answer Questions 15 – 16.

If the stocktake reveals more items in stock than are represented on the stock ledger card, the card is adjusted to show the actual quantity on hand. The value of the inventory surplus is then recorded by a balance day adjustment.

15. State whether the above transaction shows an inventory gain (surplus) or an inventory loss (shortage).

SL 1

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16. Record this as a balance day adjustment in the General Journal. Narration is not required.

Date	Particulars	Folio	Debit	Credit

SL 1

17. State the purpose of a stock ledger card in calculating cost of goods sold.

SL 1

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18. Describe the bank statement as a source document.

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SL 2

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A single employee of Apia Traders receives money for the business. It is likely that the same employee is involved in recording all transactions in the accounting books of the firm.

19. List **TWO** internal control weaknesses affecting the cash subsystem of Apia Traders.

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SL 2

20. Describe the need to prepare a schedule of age of accounts receivable.

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SL 2

21. Use the information below to prepare the Accounts Payables Control Account.

- Total Credit Purchases $1500
- Total returns $ 300
- Cash from Accounts Payables $ 700

ACCOUNTS PAYABLES CONTROL

Date	Particulars	debit	credit	balance

SL 2

22. Describe any **TWO** internal control weaknesses for Accounts Payable/Purchases subsystem.

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SL 2

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23. Explain the need for the Accounts Payable subsidiary ledger.

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SL 3

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24. Explain the output elements for the Accounts Payable/Purchases subsystem.

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SL 3

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25. At any organization, all information of fixed assets purchased must be recorded on an assets registered card.
Explain the need for internal control over fixed assets.

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	SL 3

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26. Stocktaking is an activity that is done before the business is open for its daily routine of transactions and after it closes business for the day.
Explain the internal control procedures for the stocktaking of inventory.

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	SL 3

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27. A bank statement outlines the deposits, withdrawals and other activities affecting a bank account for a specific period.
Discuss the purpose of a bank reconciliation process.

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28. Discuss the source documents used for payroll subsystem.

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29. A closing entry is a journal entry that is made at the end of an accounting period. Discuss the importance of closing entries.

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SL 4

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30.   Name any **ONE** community organization in Samoa.

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SL 1

31.   Name a feature of the Statement of Changes in Cash Position.

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SL 1

Read each situation below in Questions 32 and 33 and identify the limitation related to the financial statements.

32.   Because of inflation, a $10,000 profit today is not the same or equivalent to a $10,000 profit twenty years ago.

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SL 1

33.   There was no Statement of Accounting Policies prepared.

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SL 1

34.   Describe the function of the Statement of Financial Performance (Revenue Statement).

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SL 2

35.   Describe the function of the Statement of Financial Position (Balance Sheet).

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36.   Describe the function of the Statement of Changes in Cash Position.

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37.   Explain the nature (features) of community organizations.

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38.   Explain the limitations of the Statement of Financial Position.

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39. Explain the limitations of the Statement of Accounting Policies.

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SL 3

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40. Prepare the Statement of Financial Performance (Statement of Income and Expenditure). The classification of expenses is not needed.

VJ Shop
Trial Balance as at 31 July, 2022

Account Title	Debit	Credit
Cash	$7000	
Accounts Receivable	$3000	
Office Supplies	$3000	
Office Equipment	$5000	
Bank Loan		$ 5000
Accounts Payable		$ 1000
Common Stock		$10000
Revenue		$ 7000
Rent Expense	$ 600	
Salaries Expense	$2500	
Supplies Used	$1200	
Utilities Expense	$ 700	
Total	**$23000**	**$23000**

VJ Shop
Statement of Financial Performance for the year ended July 2022

SL 4

Victorines Shop reported the following financial information over a three years period.

	2020	2021	2022
Revenue	$8000	$9000	$10500
Gross Profit	$3000	$3500	$ 3800
Expenses	$2000	$2100	$ 2500

41.   Describe the trend analysis of the information using 2020 as the base year.

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SL 2

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42.   Calculate the net profit percentage for the year 2022.

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SL 2

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43.   Explain the trends over the three years period.

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SL 3

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44. Managerial effectiveness is also important in business operation and activities for managers to be successful.
Recommend measures needed to improve managerial effectiveness.

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SL 3

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45. From Victorines Shop's report (page 16), interpret and write recommendations on how to best improve the net profit percentage of the business in the upcoming years.

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SL 4

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	STUDENT EDUCATION NUMBER								

ACCOUNTING

2022

(For Scorer only)

	STRANDS	Weighting	Scores	Check Scorer	AED check
STRAND 1	CONCEPTUAL BASIS OF ACCOUNTING	14			
STRAND 2	PROCESSING	8			
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STRAND 5	ANALYSIS, INTERPRETATION AND DECISION MAKING	14			
	TOTAL	100			