

**UNIVERSITY OF MALTA**

**SECONDARY EDUCATION CERTIFICATE  
SEC**

**ACCOUNTING**

**May 2011**

**Marking Scheme  
Paper IIB**

**MATRICULATION AND SECONDARY EDUCATION  
CERTIFICATE EXAMINATIONS BOARD**

**PAPER II B**

**Question 1**

**(a) Accumulated fund at 1 January 2010**

	€	€
<b>Assets</b>		
Bank balance	2,300	1
Sports equipment	20,000	1
Subscription owing	<u>1,200</u>	23,500 1
less:		
Subscription prepaid	950	1
General expenses owing	130	<u>1,080 1</u>
Accumulated fund		<u>22,420</u>

**(b)**

<b>Subscriptions Account</b>			
1	Bal b/d	1,200	Bal b/d 950 1
1	Income & expenditure	8,380	Bank 8,300 1
1	Bal c/d	870	Bal c/d 1,200 1
		<u>10,450</u>	<u>10,450</u>

**(c) Income and expenditure for the year ended 31 December 2010**

	€	€
<b>Income</b>		
Subscription		8,380 2
Donations		900 1
less: Expenses		
Rent on premises	1,400	1
Rent sports complex	2,900	1
Postage	330	1
General expenses	<u>325</u>	<u>4,955 2</u>
		4,325 1

**Question 2**

a)

<b>Sean Balzan</b>					
½	Bal b/d	680	Bank	646	½
½	Sales	850	Discounts allowed	34	½
			Bal c/d	850	½
		<u>1,530</u>		<u>1,530</u>	

<b>Sam Attard</b>					
½	Bal b/d	565	Bank	500	½
½	Sales	600	Discounts allowed	15	½
			Bal c/d	650	½
		<u>1,165</u>		<u>1,165</u>	

<b>Paul Lia</b>					
½	Bal b/d	400	Bad debts	400	1

<b>Tanya Dingli</b>					
½	Sales	115	Set-off	115	1

<b>Katya Kirkop</b>					
½	Bank	437	Bal b/d	460	½
½	Discounts allowed	23	Purchases	720	½
½	Bal c/d	720			
		<u>1,180</u>		<u>1,180</u>	

<b>Tanya Dingli</b>					
1	Set-off	115	Bal b/d	180	½
½	Bal c/d	530	Purchases	465	½
		<u>645</u>		<u>645</u>	

b)

<b>Trade Receivables (Debtors)</b>					
1	Bal b/d	1,645	Bank	1,146	1
1	Sales	1,565	Discounts allowed	49	1
			Bad debts	400	1
			Offset	115	1
			Bal c/d	1,500	1
		<u>3,210</u>		<u>3,210</u>	

### Question 3

<b>Fixtures</b>					
2	Bal b/d	27,000	Asset Disposal	15,000	1
			Bal c/d	12,000	1
		<u>27,000</u>		<u>27,000</u>	

<b>Depreciation of Fixtures</b>					
1	Disposal	4,500	Bal b/d	8,100	1
1	Bal c/d	4,800	P & L	1,200	1
		<u>9,300</u>		<u>9,300</u>	

<b>Depreciation of Equipment</b>					
			Bal b/d	15,520	2
1	Bal c/d	19,616	P & L	4,096	1
		<u>19,616</u>		<u>19,616</u>	

<b>Asset Disposal Fixtures</b>					
1	Fixtures	15,000	Cash	10,000	1
	Bal c/d		Depreciation	4,500	1
			P & L	500	1
		<u>15,000</u>		<u>15,000</u>	

### Question 4

#### Journal

		€	€
(i)	1    Suspense	800	
	1        Sales		800
(ii)	1    Equipment	1,000	
	1        Office expenses		1,000
(iii)	1    Bank	1,000	
	1        Debtors		1,000
(iv)	1    Bank charges	80	
	1        Bank		80
(v)	1    Suspense	200	
	1        Returns In		100
	1        Returns Out		100

<b>Suspense Account</b>					
1	Sales	800	Bal b/d	1,000	1
1	Returns In	100			
1	Returns Out	100			

**Question 5**

1,000

1,000

**Income Statement**

		<b>Valletta</b>		<b>Birkirkara</b>
1	Sales		2,881,444	1,440,722
	less cost of sales			
1	Opening stock	1,380,000	602,400	
1	Purchases	1,948,664	974,332	
		3,328,664	1,576,732	
1	less closing stock	(1,046,208)	2,282,456	584,880
2			598,988	991,852
1	Discounts allowed	16,000		448,870
1	Office salaries	18,920		8,000
1	Administration exp	14,400		18,920
1	Wages	214,132		14,400
1	Rent	3,840		214,132
1	Maintenance	4,104		107,066
1	Depreciation	40,500		1,920
			311,896	2,052
2	Net profit		287,092	192,858
				256,012

**Question 6**

**(i) Manufacturing Account for the year ended 31 December 2010**

	€		
<b>Raw materials</b>	-		
Purchases	631,400	½	
add carriage in	5,400	½	
	636,800		
less closing stock	120,800	½	
<b>Cost of raw materials used</b>	516,000	1	
Direct wages (290,400 + 660)	291,060	1	
Direct expenses	4,820	½	
	811,880	1	
<b>Prime cost</b>			
<b>Factory overhead expenses</b>			
Maintenance	2,900	½	
Factory power	7,120	½	
Supervisor's wages	3,980	½	
Factory lighting	830	½	

Factory rent (-240)	960	½
Factory cleaning	4,260	½
Depreciation of machinery	24,400	½
Factory insurance	1,320	½
Indirect materials	3,340	½
	<u>860,990</u>	

**Work-in-progress**

less closing stock	(990)	½
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<b>Cost of production</b>	<u><b>860,000</b></u>	<b>1</b>
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(ii)  $860,000 \div 1,720 = \text{€}500$

$40 \times \text{€}500 = \text{€}20,000$  closing stock of finished goods **3**

Sales  $1,680 \times \text{€}900 = \text{€}1,512,000$  **1**

**Question 7**

**Petty cash book**

Receipts	Date	Details	Total	Postage & Stationery	Transport	Office Cleaning	Motor Expenses
€			€	-	€	€	€
600	1 Oct	Cash		€			
	2 Oct	Postage	20	20			
	4 Oct	Transport	15		15		
	5 Oct	Off.cleaning	20			20	
	5 Oct	Stationery	45	45			
	7 Oct	Diesel van	40				40
	8 Oct	Transport	12		12		
	9 Oct	Postage	14	14			
	11 Oct	D.van service	85				85
	12 Oct	Off.cleaning	20			20	
	13 Oct	Diesel van	40				40
	15 Oct	Stationery	21	21			
			332	100	27	40	165
	15 Oct	<b>Bal c/d</b>	<b>268</b>				
600			600				
<b>268</b>		<b>Bal/bd</b>					

332		Cash					
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