

Annual Examinations for Secondary Schools 2018

YEAR 9

ACCOUNTING

TIME: 2 hours

Name: _____

Class: _____

FOR OFFICIAL USE ONLY

MARKS

SECTION	A	B	C	D1	D2	TOTAL
MARKS	10	10	10	35	35	100
STUDENT'S MARK						

INSTRUCTIONS TO STUDENTS

- **ANSWER ALL QUESTIONS.**
- **THE ORDERLY PRESENTATION OF YOUR WORK IS IMPORTANT.**
- **ILLEGIBLE WORK WOULD BE WRITTEN OFF.**
- **SECTIONS A, B AND C ARE TO BE ANSWERED ON THE PAPER.**
- **SECTION D IS TO BE ANSWERED ON THE FOOLSCAPS PROVIDED.**
- **YOU HAVE TO MAKE THE NECESSARY RULINGS.**

SECTION A**[10 marks]****Tick (✓) the correct answer in the space provided. Each question carries 1 mark.**

1. What is accounting?
 - (a) Recording of accounting information in accounting books.
 - (b) Recording, classifying, summarising, analysing and reporting financial data.
 - (c) Recording the daily transactions of a business.
 - (d) Recording the sales and purchases of a business.

2. People or businesses who sell goods or services on credit to a business are called:
 - (a) Trade payables.
 - (b) Trade receivables.
 - (c) Customers of a business.
 - (d) Owners of a business.

3. Capital refers to:
 - (a) the resources owned by the business.
 - (b) amounts owing to other people or businesses.
 - (c) the owner's investment in the business.
 - (d) bank loans.

4. Customers' personal accounts are found in the:
 - (a) Private ledger.
 - (b) General ledger.
 - (c) Sales ledger.
 - (d) Purchases ledger.

5. In the purchases daybook, we write:
 - (a) credit purchases.
 - (b) cash purchases.
 - (c) total purchases.
 - (d) the purchases of non-current assets.

6. The total of the sales daybook is entered on:
- (a) the credit side of the sales account in the general ledger.
 - (b) the credit side of the general account in the sales ledger.
 - (c) the debit side of the sales account in the general ledger.
 - (d) the credit side of the purchases account in the general ledger.
7. Which of the following should **always** have a **credit balance**?
- (a) Sales Account.
 - (b) Returns in (Sales returns) Account.
 - (c) Cash Account.
 - (d) Expenses Account.
8. When a business buys a machine on credit, it will have the following effect:
- (a) Assets increase and Liabilities decrease.
 - (b) Capital increases and Assets increase.
 - (c) Both Assets and Liabilities increase.
 - (d) Assets and Capital will decrease.
9. A business bought some computers on credit from Electronica Ltd. The double entry for this transaction should be:
- | | | |
|----------------------------------|-------------------------------|--------------------------|
| (a) Debit – Purchases a/c | Credit – Electronica Ltd. a/c | <input type="checkbox"/> |
| (b) Debit – Computers a/c | Credit – Electronica Ltd. a/c | <input type="checkbox"/> |
| (c) Debit – Electronica Ltd. a/c | Credit – Purchases a/c | <input type="checkbox"/> |
| (d) Debit – Computers a/c | Credit – Bank a/c | <input type="checkbox"/> |
10. Which of the following is an example of revenue expenditure?
- (a) Buying office equipment for the business.
 - (b) Installing a fire alarm.
 - (c) Cleaners’ wages.
 - (d) Building a new store for the business.

SECTION B

[10 marks]

Answer the following questions in the spaces provided.

What is the difference between

1. petty cash book and cash book? (2 marks)

2. trade discount and cash discount? (2 marks)

3. purchases returns daybook and sales returns day book? (2 marks)

4. prudence concept and consistency concept?

(2 marks)

5. non-current assets and current assets?

(2 marks)

SECTION C

[10 marks]

Write your answer in the space provided. The first one is done for you.

0.	A trade receivable owed a business €850. The business allowed this trade receivable a discount of 8%. If the trade receivable is paid by cheque, then the amount that should be shown on the debit side of the cash book, under the bank column should be:	€782
1.	If gross profit is €45,000 and expenses are €15,000, then the net profit should be:	
2.	The following are balances of a business as at 31/12/2017: Buildings €200,000, Inventory €35,000, Cash €13,000, Machinery €60,000, Trade Receivables €20,000, Loan €30,000 Motor vans €50,000, Bank €57,000, Equipment €15,000 and Trade Payables €5,000. Find the total of the non-current assets .	
3.	During 2017, a business sold €60,000 worth of goods. €12,000 were returned to the business by customers. Calculate the net sales of the business.	
4.	Find the cost of sales for a business which provides you with the following information: Purchases €100,000, Purchases Returns €15,000, Opening Inventory €20,000, Carriage In €12,000, Carriage Out €2,300, Closing Inventory €25,000.	
5.	The following balances appeared in the financial statements of Mr. B. Borg: Trade payables €18,000, Bank loan €34,000, Bank overdraft €12,000, Loan from A. Grima €26,000. Find the total of non-current liabilities . <i>(Note: Both loans are repayable after more than one year)</i>	
6.	The assets of a business amounts to €145,000. Its liabilities are €60,000. The capital of the business is:	
7.	At the beginning of March 2017, the petty cashier received €600 as petty cash float. If during the month €480 of expenses were paid by the petty cashier, calculate the amount needed to restore the imprest .	
8.	The net sales of a business is €160,000 and its cost of sales is €110,000. The business' gross profit is:	
9.	A business spent €4,000 on machinery. The amount was used to pay: €3,000 for new machine, €400 for old machine repair, €500 for the installation of new machine and €100 for the delivery of the new machine. Calculate the total amount of capital expenditure that was spent on machinery.	
10.	A boutique sold €1,000 worth of shirts to a customer. This customer was given a trade discount of 10% and had to pay 18% VAT. The invoice total was:	

SECTION D**[70 marks]****Answer all questions in this section on foolscaps provided.**

1. The following appeared in the books of Mr. P. Borg.

April 2018	
1	Balances brought forward from the previous month: Cash €840, Bank €8,620.
2	The following paid their accounts by cheque, in each case deducting 8% cash discount: C. Cauchi €850, P. Sammut €450.
5	Received a cheque for €6,000 being a loan from HSBC.
9	The business paid the following accounts by cheque in each case deducting 5% cash discount; V. Meli €860, L. Cilia €480, T. Gauci €760.
11	Paid insurance by cash €85.
12	Received a cheque €360 from A. Apap in settlement of his account of €375.
14	Cash sales €640.
17	Paid wages by cheque €3,600.
19	The owner withdrew €640 from the business bank account for personal use.
22	Cash withdrawn from the bank €810 for business use.
24	Received a tax refund by cheque €350.
28	Paid by cheque €560 to S. Tonna in settlement of her account of €580.
30	Bought a printer paying in cash €450.

- a. From the above transactions, (33 marks)
- i. write up a three-column cash book as it would appear in the accounting records of Mr. P. Borg for the month of April 2018;
 - ii. balance off at the end of April 2018 and
 - iii. show the discount allowed account and discount received account as they would appear in the general ledger.
- b. Explain the term 'Bank Overdraft'. (1 mark)
- c. If the business has a bank overdraft, on which side of the cash book is such balance found? (1 mark)

2. The following is a trial balance drawn from the books of Laura Pace, a sole trader, as at 30 September 2017.

	Debit €	Credit €
Capital as at 1 October 2016		24,400
Drawings	8,420	
Bank	3,115	
Cash	295	
Trade receivables	12,300	
Trade payables		9,370
Returns inwards (Sales returns)	550	
Returns outwards (Purchases returns)		307
Carriage inwards	215	
Carriage outwards	309	
Delivery van	4,100	
Office furniture	6,250	
Sales		130,900
Purchases	92,100	
Motor expenses	1,630	
Maintenance	500	
Inventory as at 1 October 2016	23,910	
Rent	2,970	
Telephone charges	405	
Wages and salaries	12,310	
Discount allowed	250	
Discount received		152
Bank loan interest	500	
10% Bank loan		5,000
	<u>170,129</u>	<u>170,129</u>

Inventory at 30 September 2017 was valued at €27,475.

Required:

- a. Prepare the **Statement of Profit or Loss** for the year ended 30 September 2017. (20 marks)
- b. Prepare **the Statement of Financial Position** as at 30 September 2017. (15 marks)

End of Paper