

**Annual Examinations for Secondary Schools 2018**

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<b>YEAR 11</b>	<b>ACCOUNTING</b>	<b>MARKING SCHEME</b>
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**SECTION A** **[1 mark each = 10 marks]**

1 (c); 2 (b); 3 (a); 4 (c); 5 (d); 6 (b); 7 (c); 8 (d); 9 (a); 10 (d)

**SECTION B** **[1 mark each = 10 marks]**

11. Capital may be defined as [the initial amount invested in the business / **the amount in the business belonging to the owner** / the total value of assets in the business].
12. Drawings are [expenses incurred in relation to the owner / the owner's claim on the business / **the value of assets taken from the business by the owner**].
13. The manufacturing account is prepared by [importers / **producers** / sellers] of finished goods.
14. The allowance for doubtful debts mainly satisfies the [**prudence** / matching / going concern] concept.
15. A cheque was received from M Saliba. It was credited in M Sammut A/C by mistake. This is an error of [omission / principle / **commission**].
16. The sum of direct materials, direct labour and direct expenses is called [**prime cost** / overheads / total cost].
17. Bank charges shown in the bank statement but not in the cash book should be used [**to update the cash book** / in the bank reconciliation statement / to update the bank statement].
18. Irrecoverable debts are amounts which [may not / are likely to / **are known that will not**] be received.
19. In a voluntary organisation, the committee members [should / **cannot** / must] take drawings.
20. Control accounts may be used to check [non-current assets / non-current liabilities / **for errors in the double entry**].

**SECTION C****[35 marks]**

<b>21. (a) Bar Trading Account for year ended 31 December 2017</b>		
	€	€
Sales		14,500 [1]
Less Cost of Sales:		
Opening Inventory	500 [1]	
Purchases	8,150 [2]	
Closing Inventor	(680) [1]	(7,970)
Gross Profit		6,530 [1]
Less Expenses:		
Barman's wages	4,800 [1]	
Depreciation: Bar Equipment	500 [1]	(5,300)
Net Profit		1,230 [1]

[9 marks]

<b>(b) Income and Expenditure Account for year ended 31 December 2017</b>		
	€	€
<u>Income</u>		
Bar Profit		1,230 [1]
Membership Fees		3,060 [1]
		4,290
<u>Expenses</u>		
Electricity and water	890 [2]	
Rent	950 [2]	
Stationery	200 [1]	
Conductor's fees	4,000 [1]	
Depreciation: Musical Instruments	5,000 [2]	
Furniture	1,000 [2]	(12,040)
Deficit		(7,750) [1]

[13 marks]

<b>(c) Statement of Financial Position as at 31 December 2017</b>		
	€	€
<u>Non-Current Assets</u>		
Bar Equipment		9,500 [1]
Musical Instruments		35,000 [1]
Furniture		7,000 [1]
		51,500
<u>Current Assets</u>		
Bar Inventory	680 [1]	
Rent prepaid	250 [1]	
Bank	160 [1]	1,090
		52,590 [1]
<u>Accumulated Fund</u>		
Balance 1 January 2017		59,360 [2]
Deficit		(7,750) [1]
		51,610
<u>Current Liabilities</u>		
Bar Payables	850 [1]	
Electricity and Water owing	130 [1]	980
		52,590 [1]

[13 marks]

*Note: Allot half the marks in case of correct item but wrong figure.*

**SECTION D**

**[15 marks]**

**22.**

(a) Sales Day Book

		<u>NET</u>	<u>VAT</u>	<u>TOTAL</u>
		€	€	€
2018				
Jan 2	Albert Agius	250 [1]	45 [1]	295 [1]
Jan 4	Brian Borg	450 [1]	81 [1]	531 [1]
Jan 5	Carmel Callus	200 [1]	36 [1]	236 [1]
		<u>900</u>	<u>162</u>	<u>1,062</u>

[9 marks + 1 mark for correct presentation – Total = 10 marks]

*Accept also if first column is TOTAL*

(b) Sales Ledger

<u>Albert Agius</u>				
2017		€	2017	€
Jan 2	Sales Day Book	295 [1]		

  

<u>Brian Borg</u>				
2017		€	2017	€
Jan 4	Sales Day Book	531 [1]		

  

<u>Carmel Callus</u>				
2017		€	2017	€
Jan 5	Sales Day Book	236 [1]		

[3 marks]

(b) General Ledger

<u>Sales</u>				
2017		€	2017	€
	Jan 5	Sales Day Book		900 [1]

  

<u>VAT</u>				
2017		€	2017	€
	Jan 5	Sales Day Book		162 [1]

[2 marks]

**23.**

**[15 marks]**

(a) Manufacturing Account for year ended 31 December 2017

	€	€
<u>Cost of Raw Materials Consumed</u>		
Opening Inventory of Raw Materials		50,000 [½]
Purchases of Raw Materials		240,000 [½]
Carriage Inwards		5,000 [½]
Purchases Returns		(2,000) [½]
Closing Inventory of Raw Materials		<u>(60,450) [½]</u>
		232,550 [½]
Direct Wages		150,000 [½]
Prime Cost		<u>382,550 [½]</u>

Factory Overheads

Factory indirect wages	90,000 [1/2]	
Power	*17,000 [1]	
Lighting and Heating	**6,400 [1 1/2]	
Insurance	**1,250 [1 1/2]	
Depreciation: Premises	***7,800 [1]	
Plant and Machinery	***72,000 [1]	192,450
		<hr/>
		575,000
Work in Progress b/d		45,000 [1/2]
Work in Progress c/d		(60,000) [1/2]
Production Cost of Finished Goods		<hr/>
		562,000 [1/2]
		<hr/>

[12 marks]

**Note:** \*1/2 mark only if no adjustment for accrual is made

\*\*1/2 mark for correct item; 1/2 mark for correct accrual adjustment; 1/2 mark for correct apportionment.

\*\*\*1/2 mark for correct item; 1/2 mark for correct calculation

(b) Number of units produced:  $1,008 + 92 - 100 = 1,000$  units

$$\text{Cost per unit} = \frac{562,000 [1]}{1,000 [1]} = \text{€}562/\text{unit} [1]$$

[3 marks]

**24.**

(a)

Cash Book					
2018			2018		
		€			€
Jan 31	CT: JL Marketing Ltd	200 [1]	Jan 31	Balance b/d	*1,300 [2]
Jan 31	Balance c/d	2,090 [1]	Jan 31	SO: Insurance	400 [1]
			Jan 31	DD: Arms Ltd	140 [1]
			Jan 31	Dishonoured Cheque	300 [1]
			Jan 31	Bank Charges	80 [1]
			Jan 31	Bank interest	70 [1]
		<hr/>	Dec 31	Income Statement	<hr/>
		2,290			2,290
		<hr/>			<hr/>

[9 marks]

**Note:** \*Only 1 mark if correct figure is entered on the debit side.

Bank Reconciliation Statement as at 31 January 2018

(b)

Balance per updated Cash Book	*(2,090) [2]
Add Unpresented Cheques	700 [1]
Less Outstanding Lodgements (Deposits)	(600) [1]
Balance per Bank Statement	<hr/>
	** (1,990) [2]
	<hr/>

[6 marks]

**Note:** \* Award mark if the figure is wrong but is the same as the balance carried down in the Cash Book.

\*\* Award mark if the only error is the Balance per updated Cash Book