

Annual Examinations for Secondary Schools 2022

YEAR 9

ACCOUNTING

TIME: 2 hours

Name: _____

Class: _____

FOR OFFICIAL USE ONLY

MARKS

SECTION	A	B	C1	C2	D1	D2	TOTAL
MARKS	10	10	6	4	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. Current liabilities are:

- (a) Amounts owing by a business which have to be paid within one year. ☐
- (b) Amounts owing by a business which have to be paid after more than one year. ☐
- (c) Amounts owing to a business which have to be paid within one year. ☐
- (d) Amounts owing to a business which have to be paid after more than one year. ☐

2. The total assets of a business are €200,000. Its liabilities amount to €80,000. Then the business capital should be:

- (a) €100,000. ☐
- (b) €120,000. ☐
- (c) €200,000. ☐
- (d) €80,000. ☐

3. Which of the following accounts should always have a credit balance brought down?

- (a) Purchases Account. ☐
- (b) Sales Returns Account. ☐
- (c) Cash Account. ☐
- (d) Sales Account. ☐

4. Which account is found in the general ledger?

- (a) Trade Payables Account. ☐
- (b) Trade Receivables Account. ☐
- (c) Purchases Account. ☐
- (d) Cash Book. ☐

5. The owner of a business takes cash from the business for personal use. The effect of such transaction on net profit will be:
- (a) net profit will decrease. ☐
 - (b) net profit will increase. ☐
 - (c) no effect on net profit. ☐
 - (d) none of the above. ☐
6. The imprest system is related to the:
- (a) Sales ledger. ☐
 - (b) Purchases ledger. ☐
 - (c) Non-current liabilities. ☐
 - (d) Petty cash book. ☐
7. Which of the following are non-current assets?
- (a) Trade payables and bank overdraft. ☐
 - (b) Inventory and cash. ☐
 - (c) Machinery and office fixtures. ☐
 - (d) Bank loans and capital. ☐
8. When a business owner invests money in the business, 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. Discount allowed is regarded as:
- (a) expense. ☐
 - (b) revenue. ☐
 - (c) asset. ☐
 - (d) liability. ☐
10. The financial statement that reports about assets of a business, liabilities of a business and owner's capital, at a specific date is:
- (a) Statement of cash flow. ☐
 - (b) Statement of profit or loss. ☐
 - (c) Statement of financial position. ☐
 - (d) Statement of income and expenditure. ☐

SECTION B**[10 marks]****Answer the following questions in the spaces provided.****What is the difference between?**

1. Sales and purchases. (2 marks)

2. Real accounts and nominal accounts. (2 marks)

3. Capital expenditure and revenue expenditure. (2 marks)

4. Capital invested and working capital. (2 marks)

5. Business entity concept and consistency concept. (2 marks)

SECTION C

[10 marks]

Question 1

(6 marks)

Fill in the blanks below with the appropriate words from the list, to show which book of original entry is used first to record the following transactions.

Sales day book, Sales returns day book, Cash book, Purchases returns day book, Purchases day book, Journal

	Transaction	Book of original entry
1.	Paid rent by cheque.	
2.	Bought goods on credit from ABC Co. Ltd.	
3.	Sold goods on credit to A. Borg.	
4.	Sold old machinery to A. Gauci on credit.	
5.	The business returned unsuitable goods to ABC Co. Ltd.	
6.	A. Borg returned damaged goods to business.	

Question 2

(4 marks)

Complete the following table. The first one is done for you.

		Account to be Debited	Account to be Credited
0.	Sold goods on credit to J. Pace.	J. Pace Account	Sales Account
1.	Cash withdrawn from the bank for business use.		
2.	Owner withdrew cash from business for personal use.		
3.	Sold old computers and received cash.		
4.	Paid wages by cheque.		

SECTION D**[70 marks]****Answer all questions in this section on foolscaps provided.****Question 1**

The following is a trial balance drawn from the books of Jeremy Vella, a sole trader, as at 31 December 2021.

	Debit	Credit
	€	€
Sales Returns (Returns inwards)	345	
Sales		220,400
Inventory as at 1 January 2021	14,234	
Carriage inwards	368	
Trade receivables	16,800	
Trade payables		13,370
Purchases returns (Returns outwards)		429
Carriage outwards	416	
Purchases	185,900	
Discount allowed	450	
Motor vans	20,500	
Office equipment	23,250	
Salaries	13,400	
Insurance	2,100	
Water and Electricity	1,540	
Motor vans running expenses	1,500	
Commissions received		3,910
8% Bank loan		15,000
Bank loan interest	1,200	
Cash	2,310	
Bank overdraft		704
Drawings	2,300	
Telephone charges	600	
Capital as at 1 January 2021		33,400
	<u>287,213</u>	<u>287,213</u>

Inventory at 31 December 2021 was valued at €7,476.

Required:

- Prepare the **Statement of Profit or Loss** for the year ended 31 December 2021.
(20 marks)
- Prepare **the Statement of Financial Position** as at 31 December 2021.
(15 marks)

[Total for Question 1: 35 marks]

Question 2

The following appeared in the books of Ms. P. Zammit:

2022		
May	1	Balances brought forward from the previous month: Bank €7,510 Cash €930.
May	3	The business paid the following accounts by cheque in each case deducting 3% cash discount; P. Sammut €200, A. Gatt €400, T. Borg €700.
May	6	Received a cheque for €6,000 being a loan from Bank of Valletta.
May	8	The following paid their accounts by cheque, in each case deducting 6% cash discount: C. Gauci €750, I. Grima €550.
May	10	Cash sales €530.
May	13	Received a cheque €240 from C. Galea in settlement of his account of €255.
May	15	Paid rent by cash €128.
May	18	Paid salaries by cheque €4,300.
May	20	The owner withdrew €250 from the business bank account for personal use.
May	23	Cash withdrawn from the bank €410 for business use.
May	25	Bought a laptop for office use, paying in cash, €480.
May	27	Paid by cheque €567 to S. Briffa in settlement of her account of €580.
May	29	Received a tax refund by cheque €590.
May	30	Goods bought for resale and paid by cheque €760.
May	31	Sold old computers and received a cheque €180.

From the above transactions:

- Write up a three-column cash book as it would appear in the accounting records of Ms. P. Zammit for the month of May 2022;
- Balance off at the end of May 2022 and
- Show the discount allowed account and discount received account as they would appear in the general ledger.

[Total for Question 2: 35 marks]

End of Paper