DEPARTMENT FOR CURRICULUM,
LIFELONG LEARNING AND EMPLOYABILITY
Directorate for Learning and Assessment Programmes
Educational Assessment Unit

Annual Examinations for Secondary Schools 2022

YEAR 9 ACCOUNTING MARKING SCHEME

SECTION A
10 marks in total – 1 mark for each correct answer.

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

SECTION B
10 marks in total.

1. *Award marks for any other reasonable answer:*
   - Sales – the revenues earned when a business sells its products. (1 mark)
   - Purchases – the purchase of those goods which the firm buys with the prime intention of selling. (1 mark)

2. *Award marks for any other reasonable answer:*
   - Real Accounts – Accounts that relate to something that can be seen and touched (Assets) (1 mark)
   - Nominal Accounts – Accounts 'in name only' (Expense, Revenue, Capital and Liability accounts). (1 mark)

3. *Award marks for any other reasonable answer:*
   - Capital Expenditure – When non-current assets are bought or when a business spends money to add to the value of an existing non-current asset. (1 mark)
   - Revenue Expenditure – Expenditure which is not concerned with adding to the value of non-current assets but represents the costs of running the business on a day-to-day basis. (1 mark)

4. *Award marks for any other reasonable answer:*
   - Capital Invested – The actual amount of money or money's worth, brought into the business by the owner from her/his outside interests. (1 mark)
   - Working Capital – The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. (1 mark)

5. *Award marks for any other reasonable answer:*
   - Business Entity Concept – This concept states that the transactions associated with a business must be separately recorded from those of its owners or other businesses. (1 mark)
   - Consistency Concept – Accounting methods once adopted must be applied consistently in future. It implies that a business must not change its accounting policy unless on reasonable grounds. (1 mark)

SECTION C

Question 1

6 marks in total – 1 mark for each correct answer.

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

Question 2

4 marks in total: $\frac{1}{2}$ mark for each correct answer.

		Account to be Debited	Account to be Credited
1.	Cash withdrawn from the bank for business use.	***Cash Account***	***Bank Account***
2.	Owner withdrew cash from business for personal use.	***Drawings Account***	***Cash Account***
3.	Sold old computers and received cash.	***Cash Account***	***Computers Account***
4.	Paid wages by cheque.	***Wages Account***	***Bank Account***

SECTION D

Question 1.

a.

Statement of Profit or Loss of Jeremy Vella
for the year ended 31 December 2021

		€		€
Sales			✓	220,400
Sales returns (Returns inwards)			✓	(345)
				220,055
Less Cost of Sales:				
Opening inventory	✓	14,234		
Purchases	✓	185,900		
		200,134		
Carriage inwards	✓	368		
		200,502		
Purchases returns (Returns outwards)	✓	(429)		
		200,073		
Closing inventory	✓	(7,476)	✓	(192,597)
Gross Profit			✓	27,458
Commission received			✓	3,910
				31,368
Less Expenses:				
Carriage outwards	✓	416		
Discount allowed	✓	450		
Salaries	✓	13,400		
Insurance	✓	2,100		
Water and electricity	✓	1,540		
Motor van running expenses	✓	1,500		
Bank loan interest	✓	1,200		
Telephone charges	✓	600	✓	(21,206)
Net Profit			✓	10,162

b. **Statement of Financial Position of Jeremy Vella**
as at 31 December 2021

		€		€
Non-Current Assets				
Office equipment			✓	23,250
Motor vans			✓	20,500
			✓	43,750
Current Assets				
Inventory	✓	7,476		
Trade receivables	✓	16,800		
Cash	✓	2,310	✓	26,586
			✓	70,336
Capital				
Balance 1 January 2021			✓	33,400
Net Profit			✓	10,162
				43,562
Drawings			✓	(2,300)
				41,262
Non-Current Liabilities				
8% Bank loan			✓	15,000
Current Liabilities				
Trade payables	✓	13,370		
Bank overdraft	✓	704		14,074
			✓	70,336

(35 marks – 1 mark for every correct ticked item)

Question 2

a.

Cash Book

2022				Discounts Allowed		Cash		Bank	2022				Discounts Received		Cash		Bank
May	1	Balance b/d			✓	930	✓	7,510	May	3	P. Sammut	✓	6			✓	194
May	6	Loan from BOV					✓	6,000	May	3	A. Gatt	✓	12			✓	388
May	8	C. Gauci	✓	45			✓	705	May	3	T. Borg	✓	21			✓	679
May	8	I. Grima	✓	33			✓	517	May	15	Rent			✓	128		
May	10	Sales			✓	530			May	18	Salaries					✓	4,300
May	13	C. Galea	✓	15			✓	240	May	20	Drawings					✓	250
May	23	Bank			✓	410			May	23	Cash					✓	410
May	29	Tax refund					✓	590	May	25	Laptop			✓	480		
May	31	Computers					✓	180	May	27	S. Briffa	✓	13			✓	567
									May	30	Purchases					✓	760
									May	31	Balance c/d			✓	1,262	✓	8,194
			✓	93	✓	1,870	✓	15,742				✓	52		1,870		15,742

General Ledger

Discounts Allowed Account

2022			€	2022	€
May 31	Cash book (Total for the month)	✓	93		

Discounts Received Account

2022	€	2022			€
		May 31	Cash book (total for the month)	✓	52

(35 marks – 1 mark for every correct ticked item)