



KULLEGĠ SAN BENEDITTU

Secondary School, Kirkop

Mark

HALF YEARLY EXAMINATION – 2014/2015

One Graded Paper

FORM 3	ACCOUNTING	TIME: 1h 30min
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Section	A	B	C	D	E	F	G	Global Mark
Max. Mark	10	5	5	10	10	30	30	
Mark								

DO NOT WRITE ABOVE THIS LINE

Name: _____

Class: _____

CALCULATORS MAY BE USED. *Read all the questions carefully before you start to answer it.*

Section A - Answer all Questions

(10 marks)

- Which of the following is a liability?
 - Buildings
 - Cash balance
 - Payables for goods
 - Trade Receivable
- Which of the following best describes the meaning of Sales?
 - Items bought
 - Goods bought on credit
 - Goods bought for resale
 - Goods sold
- Which of the following should not be called 'Purchases?'
 - Office fixtures bought
 - Goods bought on credit
 - Goods bought for resale
 - Goods bought to replace sold stock (inventory)

4. What is the correct entry when money is transferred from the business bank account into the business cash account?

- a) DR Bank a/c CR Cash a/c
- b) DR Cash a/c CR Capital a/c
- c) DR Capital a/c CR Cash a/c
- d) DR Cash a/c CR Bank a/c

5. A business buys goods for cash. What are the entries to be made?

	Account Debited	Account Credited
a)	Cash	Purchases
b)	Cash	Supplier
c)	Purchases	Cash
d)	Supplier	Cash

6. The proprietor of a business has deposited €50,000 from personal funds into the business bank account and used €40,000 to buy new machinery. The increase in capital is

- a) €10,000
- b) €50,000
- c) €40,000
- d) €90,000

7. Kurt Duncan, a turnkey contractor, has used his own workmen to redecorate his personal home. Which of the following adjustments is correct?

	Debit	Credit
a)	Bank Account	Wages Account
b)	Wages Account	Bank Account
c)	Drawings Account	Wages Account
d)	Drawings Account	Bank Account

8. Which of the accounts below would show a debit balance brought down at the end of the month?

- a) A liability account
- b) An income account
- c) An expense account
- d) A capital account

9. How often may a ledger account be balanced off?
- Monthly
 - Yearly
 - Daily
 - At any time

10. Which of the following is correct?
- Profit does not alter capital
 - Profit reduces capital
 - Capital can only come from profit
 - Profit increases capital

Section B - Answer the following questions

(5 marks)

Each question carries 1 mark

1. Accounting entries involve a minimum of how many accounts?

2. Which term is associated with the "left-side" of an account?

3. Which term is associated with the "right-side" of an account?

4. When cash is received, the Cash a/c will be: DEBITED / CREDITED (Underline the correct answer).

5. What are drawings?

Section C

(5marks)

Complete the gaps in the following table:

ASSETS	LIABILITIES	CAPITAL
12,500	1,800	?
16,800	?	12,500
?	11,650	39,750
159,000	?	110,000
36,100	14900	?

Section D**(10 marks)****Which of the items in the following list are liabilities and which of them are assets?**

Bank Balance
Accounts Payable
Inventory

Equipment
Machinery

Bank Overdraft
Accounts Receivable

Loan from bank
Premises
Computers

Assets	Liabilities

Section E - Answer the following questions**(10 marks)***Each question carries 2 marks*

1. Define the term Business Accounting.

2. Give two reasons why business should prepare accounting records.

3. What is a trial balance and why should it agree?

4. Given the following figures, calculate the amount of Capital?

Premises € 20,000 ; Inventory € 9,000 ; Trade Payables (Creditors) €4,000 ; Bank Overdraft €2,000 ; Trade Receivables (Debtors) €3,000 and Loan from Benedittu Bank €6,000.

5. List two persons who may be interested in viewing the accounts of a business. Give a reason why each of these persons would be interested.

Section F**(30 marks)****Answer the following questions on the foolscap provided.**

From the following trial balance of Giulio Spiteri draw up an Income Statement (*Trading & Profit/Loss Account*) for the year ended 31st December 2014 and a Statement of Financial Position (*Balance Sheet*) as at that date.

You are also required to calculate the WORKING CAPITAL (*ie; Net Current Assets*).

	€	€
Inventory (Stock) 1st January 2014	23680	
Carriage Outwards	2000	
Carriage Inwards	3100	
Returns Inwards	2050	
Returns Outwards		3220
Purchases	118740	
Sales		186000
Salaries & Wages	38620	
Rent	3660	
Insurance	780	
Motor Expenses	6640	
Office Expenses	2160	
Water & Electricity	1660	
General Expenses	3140	
Commission Received		620
Premises	50000	
Motor Vehicles	18000	
Fixtures & Fittings	3500	
Receivables(Debtors)	38960	
Payables (Creditors)		17310
Cash at Bank	4820	
Drawings	12000	
Loan from Bank		26360
Capital		100000
	333510	333510

NOTE THAT: The value of the Inventory (Stock) at 31st December 2014 was €29460.

Section G**(30 marks)****Answer the following questions on the foolscap provided.**

You are to enter up the necessary amounts for the month of January 2015 from the following details, and then balance off the accounts and extract a Trial Balance as at 31st January 2015.

- Jan 1 Started business with capital in cash of €2500
 - Jan 2 Bought goods on credit from D Ellis €540 and from C Mendez €870
 - Jan 4 Sold goods on credit to: C Bailey €430; B Hughes €620
 - Jan 6 Paid rent by cash €120
 - Jan 9 Bailey paid us his account by cheque €430
 - Jan 10 B Hughes paid us €120 by cheque
 - Jan 12 We paid D Ellis €540 and C Mendez €570 by cheque
 - Jan 15 Paid insurance by cash €230
 - Jan 18 Bought goods on credit from C Mendez €430 and D Booth €110
 - Jan 21 Sold goods on credit to B Hughes €670
 - Jan 28 Sold more goods for €950 but this time, a cheque was received immediately
 - Jan 31 Paid advertising by cash €150
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