



# KULLEĠĠ SAN BENEDITTU Secondary School, Kirkop

Mark

HALF YEARLY EXAMINATION – 2015/2016

**FORM 3**

**ACCOUNTING**

**TIME: 1h 30min**

Section	A	B	C1	C2	D	Global Mark
Max. Mark	10	15	15	25	35	100
Mark						

**Instructions to students:**

*Answer **ALL** questions.*

*Calculators may be used. Read each question carefully.*

DO NOT WRITE ABOVE THIS LINE

**Name:** \_\_\_\_\_

**Class:** \_\_\_\_\_

**SECTION A- Answer ALL questions in this section.**

**Questions 1 – 10 are Multiple Choice and carry 1 mark each. Answers are to be marked on the exam paper.**

1. Which of the following best describes the meaning of 'Purchases'?
  - a) Office fixtures bought
  - b) Goods sold on credit
  - c) Goods bought for cash
  - d) All goods bought for resale
  
2. Carriage inwards is charged to the trading account because
  - a) It is an expense connected with buying goods
  - b) It should not go in the statement of financial position
  - c) It is not part of motor expenses
  - d) Carriage outwards goes in the profit and loss account
  
3. What are non-current assets?
  - a) Items bought to be used in the business
  - b) Items which will not wear out quickly
  - c) Expensive items bought for the business
  - d) Items having a long life and not bought specifically for resale
  
4. Net profit is calculated in the
  - a) Trading account
  - b) Profit and loss account
  - c) Trial balance
  - d) Statement of financial position
  
5. A business bought € 30,000 worth of computers for use in the business. Which of the following is the correct entry?

Debit	Credit
a) Bank account	Computers Account
b) Computers account	Bank account
c) Computers account	Capital account
d) Drawings account	Capital account

6. The proprietor of a business has deposited €50,000 from personal funds and used €40,000 to buy new machinery. The increase in capital is
- a) €10,000
  - b) €90,000
  - c) €40,000
  - d) €50,000
7. Which financial statement is used to show what the firm owns?
- a) Income statement
  - b) Statement of financial position
  - c) Manufacturing account
  - d) Income and expenditure account
8. Which of the following is not a current asset?
- a) Accounts receivable
  - b) Inventory of finished products
  - c) Inventory of raw materials
  - d) Land
9. Gross profit is
- a) Excess of sales over cost of goods sold
  - b) Sales less purchases
  - c) Cost of goods sold – opening inventory
  - d) Net profit less expenses of the period
10. Which of the following is **not** an asset?
- a) Buildings
  - b) Cash balance
  - c) Accounts receivable
  - d) Loan from K. Harris

**SECTION B- Answer ALL questions in this section.**

**Questions 1 – 7 in this section carry a total of 15 marks. Answers are to be written on the foolscap provided.**

1. Explain briefly the main purpose of a trial balance. (2 marks)
2. State two types of errors which would not affect the agreement of the trial balance. In each case explain why the trial balance totals would not be affected. (4 marks)
3. Accounting entries involve a minimum of how many accounts? (1 mark)
4. Which term is associated with the 'right – side' of an account? (1 mark)
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. (4 marks)
6. Complete the gaps in the following table:

<i>ASSETS</i>	<i>LIABILITIES</i>	<i>CAPITAL</i>
€146,000	€11,111	?
?	€14,680	€40,970
€136,100	?	€64,790

(3 marks)

**Section C- Answer ALL questions in this section.**

**Answers are to be written on the foolscaps provided.**

1. On 31 March 2015, T. Venti, who is a retailer, extracted the following list of balances. Through an oversight he didn't extract his capital account balance.

Draw up his trial balance and calculate his capital balance. Include this balance in your trial balance.

(15 marks)

	€
General Expenses	3,290
Cash at Bank	7,960
Wages and Salaries	38,500
Cash in Hand	575
Discount Received	906
Motor Vans	18,000
Premises	200,000
Trade Creditors	7,250
Trade Debtors	8,600
Drawings	22,000
Stock, 1 <sup>st</sup> April 2014	6,300
Purchases	162,000
Sales	190,000

2. Jade Clark is a wholesaler in the grocery trade. She would like to keep a full set of accounts. Some of the transactions which took place in her business are listed below.

1 <sup>st</sup> August	Paid Rent by cheque €300
4 <sup>th</sup> August	Bought goods for resale on credit from Spalding plc € 4,000
6 <sup>th</sup> August	Sold goods on credit worth € 800 to a customer, R. Brock.
8 <sup>th</sup> August	Returned faulty goods to Spalding plc € 150
12 <sup>th</sup> August	Bought petrol for the business motor van € 36 paying cash
18 <sup>th</sup> August	Paid € 20 cash for office refreshments
22 <sup>nd</sup> August	Purchases shop fixtures for use in the business, € 9,000 on credit from Kamara Limited.
23 <sup>rd</sup> August	Sold goods on credit to D. Crump for €390

Draw up Ms. Jade's accounts in t- format and balance them off. (25 marks)

## Section D

Answer the following question on the foolscap provided.

From the following information:

- i. draw up an Income Statement (*Trading & Profit/Loss Account*) for the year ended 31<sup>st</sup> December 2015 (15 marks)
- ii. draw up a Statement of Financial Position (Balance Sheet) as at 31<sup>st</sup> December 2015 (15 marks)
- iii. Calculate the Working Capital of the business. (5 marks)

	Debit	Credit
Capital		122,000
Drawings	5,000	
Premises	80,000	
Machinery	35,000	
Equipment	25,000	
Debtors and Creditors	6,500	5,400
Stock at 1 <sup>st</sup> Jan. 2015	3,500	
Bank	1,500	
Cash	150	
Purchases and Sales	24,000	56,000
Returns	500	1,050
Discounts	440	1,200
Carriage In	660	
Carriage Out	200	
Advertising	500	
Light and heat	700	
Salaries and wages	2,000	
Motor expenses	800	
Commission received		2,400
Telephone	1,600	
	<b>188,050</b>	<b>188,050</b>

The stock at 31<sup>st</sup> December 1999 was € 5,500.