

# KULLEGG SAN BENEDITTU

## Secondary School, Kirkop

### Form 3 Half Yearly Marking Scheme – 2015/2016

#### Section A

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

**(10 marks – 1 mark each)**

#### Section B

1. If the totals of the Trial Balance agree we can assume that for every debit entry, a credit entry has been made. We can also assume that there is arithmetical accuracy in the bookkeeping entries. **(2 marks)**
2. Reversal of entries: The entries of a transaction are inverted. The debit entry is entered on the credit side of one account and the credit entry is entered on the debit side of the other account.

Omission: If no entry at all has been made for a business transaction then it does not affect the figures at all. Both entries of a transaction are left out.

Commission: Bookkeeping entries have been made on the correct side of the account, but in the wrong account of the same type. This happens when the wrong personal account (Trade receivable or Trade Payable) is used.

Principle: Entries made on the correct side of the account, but in the wrong account of a different type.

Original Entry: When a wrong but equal number is entered on **both sides** of the account.

Compensating Errors: Errors in numbers, double entry and/or arithmetical errors (additions or subtractions) cancel each other out.

**(2 marks for each correct answer)**

3. Two entries **(1 mark)**

4. Credit (1 mark)

5. Managers: Need to know how well things are progressing financially and about the financial status of the business.

Owners of the business: know about financial resources of a business and about profits/loses

A prospective buyer: Need to calculate the price of a business

The Bank: To borrow money the bank needs accounting information

Tax Inspectors: To calculate taxes payable

A prospective partner: Would be partner will need to see accounting statements.

Investors: need to see accounting information to decide whether to invest or not.

Creditors: want to know if there is any risk of not being paid.

6.

<i>ASSETS</i>	<i>LIABILITIES</i>	<i>CAPITAL</i>
€146,000	€11,111	<b>134,889</b>
<b>55,650</b>	€14,680	€40,970
€36,100	<b>71,310</b>	€64,790

(3 marks)

## Section C

**In the books of T Venti.**

Trial Balance as at 31 <sup>st</sup> March 2015		
	DR	CR
Capital		270,881
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		7250
Trade Debtors	8,600	
Drawings	22, 000	
Stock (1 <sup>st</sup> April 2014)	6,300	
Purchases	162,000	
Sales		190,000
	468,131	468,131

**(10 marks - (2 marks for layout; 0.5 marks for each correct entry)**

Capital = Total debits – Credits

$$=468,131 - 197,250 =270,881$$

**(5 marks)**

**Section C** 2marks for each account + 1 mark for overall presentation

1. In the books of Jade Clark.

Bank					
		€			€
31 <sup>st</sup> Aug	Bal c/d	300	1 <sup>st</sup> Aug	Rent	300
		<u>300</u>			<u>300</u>
			1 <sup>st</sup> Sept	Bal b/d	300

### Rent

		€			€
1 <sup>st</sup> Aug	Bank	300	31 <sup>st</sup> Aug	Bal C/d	300
		<u>300</u>			<u>300</u>
1 <sup>st</sup> Sept	Bal b/d	<u>300</u>			

### Purchases

		€			€
4 <sup>th</sup> Aug	Spalding p/c	4000	31 <sup>st</sup> Aug	Bal C/d	4000
		<u>4000</u>			<u>4000</u>
1 <sup>st</sup> Sept	Bal b/d	<u>4000</u>			

### Spalding p/c

		€			€
Purchases Net		150	4 <sup>th</sup> Aug	Purchases	4000
Bal c/d		<u>3850</u>			<u>4000</u>
		<u>4000</u>	1 <sup>st</sup> Sept Balb/d		3850

### Sales

		€			€
30 <sup>th</sup> Aug	Bal c/d	1190	6 <sup>th</sup> Aug	R. Brock	800
		<u>1190</u>	23 <sup>rd</sup> Aug	D Crump	390
			1 <sup>st</sup> Sept	Bal b/d	<u>1190</u>

### R. Brock Trade Receivable

		€			€
6 <sup>th</sup> Aug	Sales	800	30 <sup>th</sup> Aug	Bal c/d	800
		<u>800</u>			<u>800</u>
1 <sup>st</sup> Sept	Bal b/d	<u>800</u>			

### Purchases Returns

		€			€
31 <sup>st</sup> Aug	Bal c/d	150	8 <sup>th</sup> Aug	Spalding p/c	150
		<u>150</u>			<u>150</u>
			1 <sup>st</sup> Sept	Bal b/d	150

Petrol

		€			€
12 <sup>th</sup> Aug	Cash	36	30 <sup>th</sup> Aug	Bal C/d	36
		<u>36</u>			<u>36</u>
1 <sup>st</sup> Sept	Bal b/d	36			

Office Refreshments

		€			€
18 <sup>th</sup> Aug	Cash	20	30 <sup>th</sup> Aug	Bal C/d	20
		<u>20</u>			<u>20</u>
1 <sup>st</sup> Sept	Bal b/d	20			

Kamara Ltd.

		€			€
30 <sup>th</sup> Aug	Bal c/d	9000	22 <sup>nd</sup> Aug	Shop Fittings	9000
		<u>9000</u>			<u>9000</u>
			1 <sup>st</sup> Sept	Bal b/d	9000

Shop Fittings.

		€			€
Aug Kamara Ltd		9000	30 <sup>th</sup> Aug	Bal c/d	9000
		<u>9000</u>			<u>9000</u>
1 <sup>st</sup> Sept bal b/d		9000			

D Crump

		€			€
30 <sup>th</sup> Aug	Bal c/d	390	23 <sup>rd</sup> Aug	Sales	390
		<u>390</u>			<u>390</u>

Cash

		€			€
31 <sup>st</sup> Aug	Bal c/d	56	12 <sup>th</sup> Aug	Petrol	36
		<u>56</u>	18 <sup>th</sup> Aug	off	20
					<u>56</u>
			1 <sup>st</sup> Sept.	Bal b/d	56

## **Section D**

### **Income Statement for the year ending 31<sup>st</sup> December 2015** (15 marks)

Sales	56,000	
Less Sales Returns	<u>500</u>	
		55,500
<u>Less Cost of Sales</u>		
Opening Stock	3,500	
Add Purchases	24,000	
Add Carriage Inwards	<u>660</u>	
	28,160	
Less Returns Outwards	1,050	
Closing stock	<u>5,500</u>	
Cost of Sales		21,610
<b>Gross Profit</b>		<b>33,890</b>
<u>Add Revenue</u>		
Discounts Received	1,200	
Commission Received	2,400	3,600
		37,490
<u>Less Expenses</u>		
Discounts Allowed	440	
Carriage Outwards	200	
Advertising	500	
Light and Heat	700	
Salaries and Wages	2000	
Motor Expenses	800	
Telephone	<u>1600</u>	
		<u>6,200</u>
Net profit		31,290

(13 marks for entries – deduct 1 mark for each missing item or for an item which should not be included; deduct 0.5 marks for each number copied wrongly or for wrong addition or subtraction; do not deduct marks if net profit is wrong only because of a wrong gross profit – follow through error- 2 marks for presentation – 15 marks in total)

Statement of financial position as at 31 Dec 2015. (15 marks)

	€	€
<u>Non –Current Assets</u>		
Premises		80,000
Machinery		35,000
Equipment		<u>25,000</u>
		140,000
<u>Current Assets</u>		
Stock @31 <sup>st</sup> Dec 2015	5,500	
Debtors	6,500	
Bank	1,500	
Cash	<u>150</u>	
		<u>13,650</u>
<b>Total Assets</b>		153,650
<u>Financed by:</u>		
<u>Capital</u>		
Opening Balance	122,000	
Add net Profit	<u>31,290</u>	
	153,290	
Less Drawings	<u>5,000</u>	
		148,290
<u>Non –Current Liabilities</u>		
<u>Current Liabilities</u>		
Creditors		<u>5,400</u>
		153,690

(13 marks for entries – deduct 1 mark for each missing item or for an item which should not be included; deduct 0.5 marks for each number copied wrongly or for wrong addition or subtraction; do not deduct marks if net profit is wrong only because of a wrong gross profit –follow through error- 2 marks for presentation – 15 marks in total)

Working capital = Current Assets – Current Liabilities.

Working Capital= 13650 – 5400= 8,250 (5 marks)