



MRIEHEL SENIOR SCHOOL HALF-YEARLY EXAMINATIONS 2016/2017



Track 3

FORM: 3

ACCOUNTING

Time: 2 hrs

Name: _____

Class: _____

ANSWER ALL QUESTIONS.

Section A: Double-Entry Test
(1 mark x 10 = 10 marks)

Reuben Sciberras is a 13 year old student who has just started studying Accounting at his school. He is kindly asking you to help him with identifying the correct double-entry for each of the underneath transactions.



1

Started business with €5,000 in the Bank.

Debit **Bank** Account.

Credit **Capital** Account with €5,000.

2

Bought stationary by cheque for €75.

Debit **Stationary Expense** Account.

Credit **Bank** Account with €75.

3

Bought goods on credit from T. Mallia for €2,100.

Debit **Purchases** Account.

Credit **T. Mallia** Account with €2,100

4

Sold goods for cash €340.

Debit **Cash** Account.

Credit **Sales** Account with €340.

5

Paid Insurance by cash €290.

Debit **Insurance** Account.

Credit **Cash** Account with €290.

5

Returned goods to T. Mallia €550.

Debit **T. Mallia** Account.

Credit **Returns Out** Account with €550.

6

Cash Purchases €470.

Debit **Purchases** Account.

Credit **Cash** Account with €470.

7

Received Rent by cheque for a corner space €25.

Debit **Bank** Account.

Credit **Rent Receivable** Account with €25.

8

The owner of the business took €50 in cash for his own personal use.

Debit **Drawings** Account.

Credit **Cash** Account with €50.



9

The owner took €35 worth of stock from his Business.

Debit **Drawings** Account.

Credit **Purchases** Account with €35.

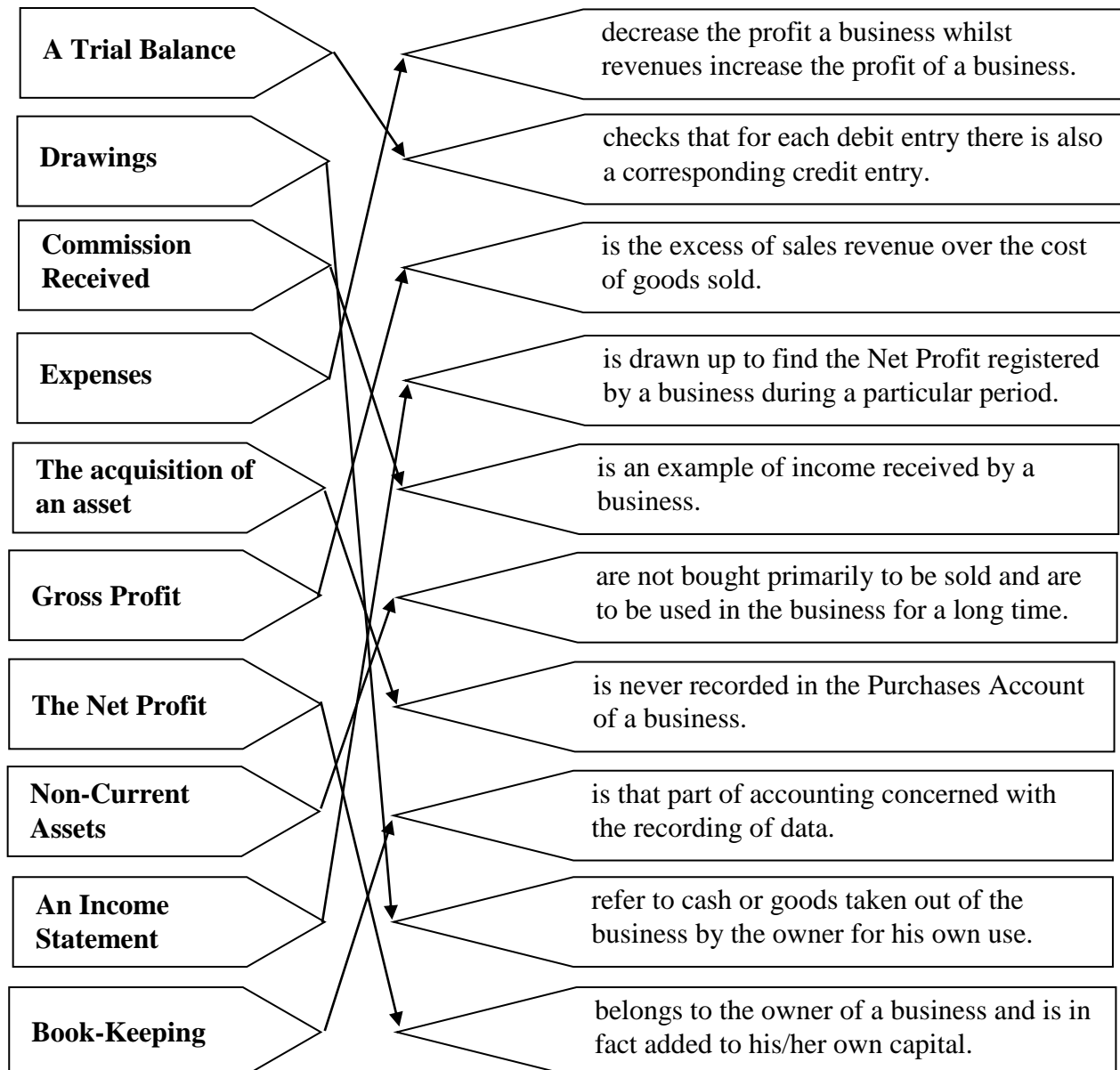
10

C. Dalli returned €15 worth of stock to the business. C. Dalli is a debtor of the business.

Debit **Returns In** Account.

Credit **C. Dalli** Account with €15.

Section B: Draw an arrow to continue the sentences on the left. (1 mark x 10 = 10 marks)



Section C:**Calculating Capital and
Preparing a Horizontal Statement of the Financial Position**

Liam Chetcuti has the following items in her Statement of the Financial Position as at 30th April 2015: Creditors €2,100, Fixtures €2,800, Car €3,900, Stock of goods €4,550, Debtors €2,780, Cash at Bank €6,250 and Cash in Hand €220.

- a) You are required to calculate Liam Chetcuti's capital as at 30th April 2015. (2 marks)



$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

$$(\text{€}2,800 + \text{€}3,900 + \text{€}4,550 + \text{€}2,780 + \text{€}6,250 + \text{€}220) = \text{Capital} + \text{€}2,100$$

$$\text{Capital} = \text{€}20,500 - \text{€}2,100$$

$$\text{Capital} = \text{€}18,400.$$

- b) Prepare a Horizontal Statement of the Financial Position of Liam Chetcuti's business as at 30th April 2015. (Pay attention for your title, date and presentation!) (5 marks)

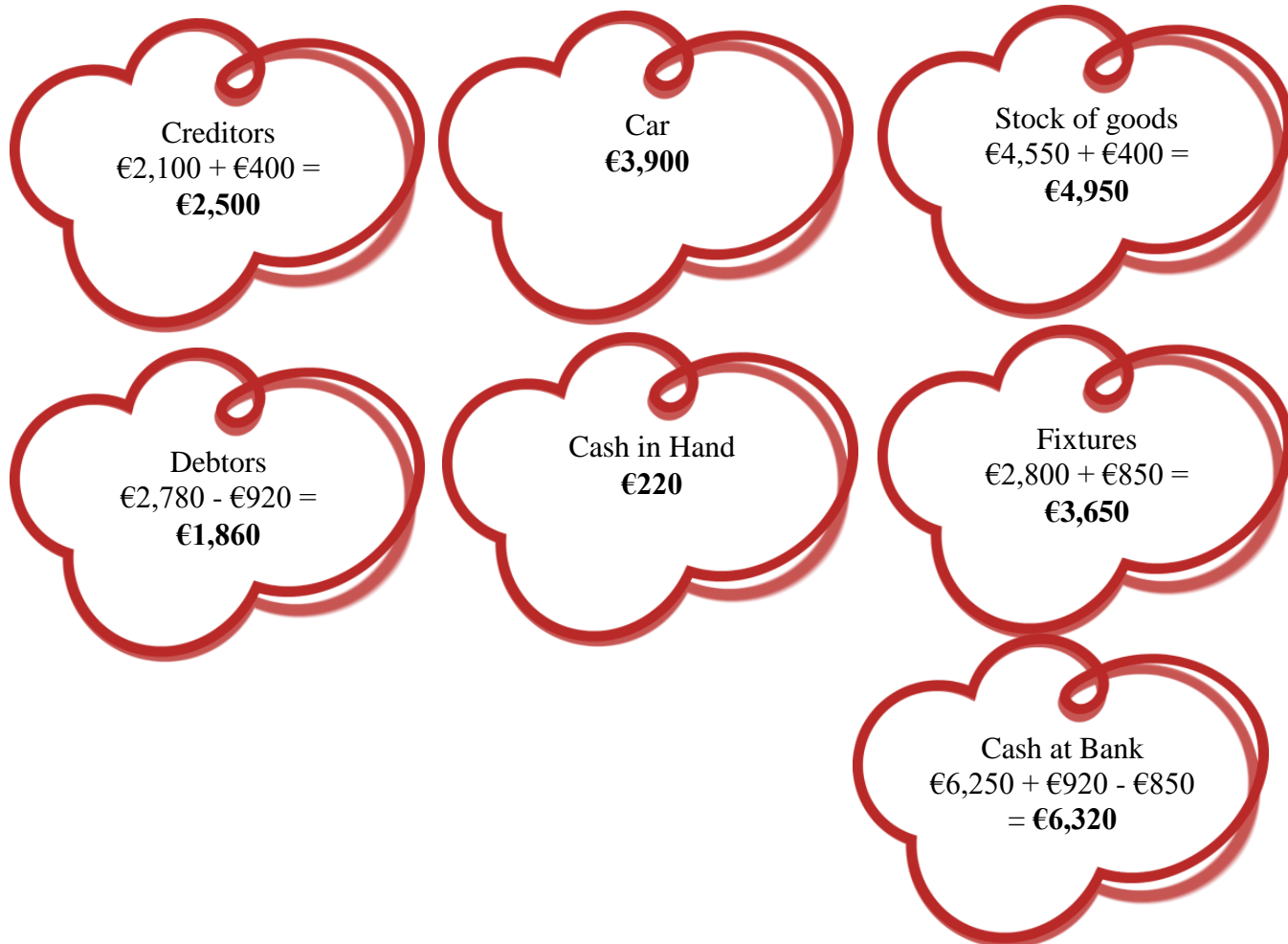
Liam Chetcuti
Statement of the Financial Position as at 30th April 2015

Assets	€	Capital and Liabilities	€
Fixtures	2,800	Capital	18,400
Car	3,900		
Stock of Goods	4,550	<u>Liabilities</u>	
Debtors	2,780	Creditors	2,100
Cash at Bank	6,250		
Cash in Hand	220		
	20,500		20,500

- c) During the first week of May 2015, ending 7th May 2015, the following transactions took place:

- Liam Chetcuti bought extra stock of goods for €400 on credit.
- One of the debtors paid his €920 by cheque.
- Liam bought some fixtures by cheque for €850.

Update the balances of all the assets and liabilities as at the end of the first week of May, i.e: 7th May 2015. (6 marks)



d) You are required to calculate Liam Chetcuti's capital as at 7th May 2015. (2 marks)



Assets = Capital + Liabilities

$(€3,900 + €4,950 + €1,860 + €220 + €3,650 + €6,320 = \text{Capital} + €2,500)$

Capital = $€20,900 - €2,500$

Capital = €18,400.

e) Prepare a Horizontal Statement of the Financial Position of Liam Chetcuti's business as at 7th May 2015. (5 marks)

Liam Chetcuti
Statement of the Financial Position as at 7th May 2015

Assets	€	Capital and Liabilities	€
Cash at Bank	6,320		
Car	3,900	Capital	18,400
Stock of Goods	4,950		
Debtors	1,860	Liabilities	
Cash in Hand	220	Creditors	2,500
Fixtures	3,650		
	20,900		20,900

Section D: The Double-Entry System, Balancing Off and The Trial Balance

Record the following transactions for the month of December 2016 of a small retail outlet, balance off all the accounts, and then extract a Trial Balance as at 31st December 2016.

Dec 01	Started in business with €10,500 in Cash.
Dec 02	Put €9,000 of the cash into a Bank Account.
Dec 03	Bought goods for cash €550.
Dec 04	Bought goods on credit from T. Abela €800; F. Howard €930; M. Demarco €160 and G. Laferla €510.
Dec 05	Bought stationary on credit from Kristianne's Stationary €89.
Dec 06	Sold goods on credit to R. Tabone €170; L. Fava €240; M. Spiteri €326 and A. Tom €204.
Dec 08	Paid rent by cheque €220.
Dec 10	Bought fixtures and fittings on credit from KHS Ltd €610.
Dec 11	Paid wages and salaries in cash €790.
Dec 14	Returned goods to F. Howard €30 and M. Demarco €42.
Dec 15	Bought van by cheque €6,500.
Dec 16	Received loan from B. Bonnici by cheque €2,000.
Dec 18	Goods returned to us by R. Tabone €5; M. Spiteri €20.
Dec 21	Cash Sales €145.
Dec 24	Sold goods on credit to L. Fava €130; R. Tabone €410; R. Pace €158.
Dec 26	We paid the following by cheque: F. Howard €900.
Dec 29	Received cheques from: R. Pace €158; L. Fava €370.
Dec 30	Received a further loan from B. Bonnici by cash €500.
Dec 30	Received €400 cash from R. Tabone.

(30 marks) for recording double-entries in the respective accounts.

(24 marks) for the Balancing off of all accounts.

(6 marks) for the Preparation of a Trial Balance.

Capital Account

2016		€	2016		€
Dec 31	Balance c/d	10,500	Dec 01	Cash	10,500

Cash Account

2016		€	2016		€
Dec 01	Capital	10,500	Dec 02	Bank	9,000
Dec 21	Sales	145	Dec 03	Purchases	550
Dec 30	Loan from B. Bonnici	500	Dec 11	Wages and Salaries	790
Dec 30	R. Tabone	400	Dec 31	Balance c/d	1,205
		11,545			11,545

Bank Account

2016		€	2016		€
Dec 02	Cash	9,000	Dec 08	Rent	220
Dec 16	Loan from B. Bonnici	2,000	Dec 15	Motor-Vans	6,500
Dec 29	R. Pace	158	Dec 26	F. Howard	900
Dec 29	L. Fava	370	Dec 31	Balance c/d	3,790
		11,528			11,528

Purchases Account

2016		€	2016		€
Dec 03	Cash	550			
Dec 04	T. Abela	800			
Dec 04	F. Howard	930			
Dec 04	M. Demarco	160			
Dec 04	G. Laferla	510	Dec 31	Balance c/d	2,950
		2,950			2,950

T. Abela Account

2016		€	2016		€
Dec 31	Balance c/d	800	Dec 04	Purchases	800

F. Howard Account

2016		€	2016		€
Dec 14	Returns Out	30	Dec 04	Purchases	930
Dec 26	Bank	900			
		930			930

M. Demarco Account

2016		€	2016		€
Dec 14	Returns Out	42	Dec 04	Purchases	160
Dec 31	Balance c/d	118			
		160			160

G. Laferla Account

2016		€	2016		€
Dec 31	Balance c/d	510	Dec 04	Purchases	510

Stationary Expense Account

2016		€	2016		€
Dec 05	Kristianne's Stationary	89	Dec 31	Balance c/d	89

Kristianne's Stationary Account

2016		€	2016		€
Dec 31	Balance c/d	89	Dec 05	Stationary Expense	89

Sales Account

2016		€	2016		€
			Dec 06	R. Tabone	170
			Dec 06	L. Fava	240
			Dec 06	M. Spiteri	326
			Dec 06	A. Tom	204
			Dec 21	Cash	145
			Dec 24	L. Fava	130
			Dec 24	A. Tabone	410
Dec 31	Balance c/d	1,783	Dec 24	R. Pace	158
		1,783			1,783

R. Tabone Account

2016		€	2016		€
Dec 06	Sales	170	Dec 18	Returns In	5
Dec 24	Sales	410	Dec 30	Cash	400
			Dec 31	Balance c/d	175
		580			580

L. Fava Account

2016		€	2016		€
Dec 06	Sales	240	Dec 29	Bank	370
Dec 24	Sales	130			
		370			370

M. Spiteri Account

2016		€	2016		€
Dec 06	Sales	326	Dec 18	Returns In	20
			Dec 31	Balance c/d	306
		326			326

A. Tom Account

2016		€	2016		€
Dec 06	Sales	204	Dec 31	Balance c/d	204

Rent Account

2016		€	2016		€
Dec 08	Bank	220	Dec 31	Balance c/d	220

Fixtures and Fittings Account

2016		€	2016		€
Dec 10	KHS Ltd	610	Dec 31	Balance c/d	610

KHS Ltd Account

2016		€	2016		€
Dec 31	Balance c/d	610	Dec 10	Fixtures and Fittings	610

Wages and Salaries Account

2016		€	2016		€
Dec 11	Cash	790	Dec 31	Balance c/d	790

Returns Out Account

2016		€	2016		€
			Dec 14	F. Howard	30
Dec 31	Balance c/d	72	Dec 14	M. Demarco	42
		72			72

Motor-Vans Account

2016		€	2016		€
Dec 15	Bank	6,500	Dec 31	Balance c/d	6,500

Loan from B. Bonnici Account

2016		€	2016		€
			Dec 16	Bank	2,000
Dec 31	Balance c/d	2,500	Dec 30	Cash	500
		2,500			2,500

Returns In Account

2016		€	2016		€
Dec 18	R. Tabone	5			
Dec 18	M. Spiteri	20	Dec 31	Balance c/d	25
		25			25

R. Pace Account

2016		€	2016		€
Dec 24	Sales	158	Dec 29	Bank	158

Trial Balance as at 31st December 2015

Account	Debit	Credit
	€	€
Capital		10,500
Cash	1,205	
Bank	3,790	
Purchases	2,950	
T. Abela		800
F. Howard	0	
M. Demarco		118
G. Laferla		510
Stationary Expense	89	
Kristianne's Stationary		89
Sales		1,783
R. Tabone	175	
L. Fava		0
M. Spiteri	306	
A. Tom	204	
Rent	220	
Fixtures and Fittings	610	
KHS Ltd		610
Wages and Salaries	790	
Returns Out		72
Motor-Vans	6,500	
Loan from B. Bonnici		2,500
Returns In	25	
R. Pace		0
	16,982	16,982

For examiner's use only:

SECTION	A	B	C	D	TOTAL
RESULT					
OUT OF	10	10	20	60	100

