

**UNIVERSITY OF MALTA**

**SEC SECONDARY EDUCATION CERTIFICATE**

**ACCOUNTING**

**May 2007**

**EXAMINERS' REPORT\***

**MATRICULATION AND SECONDARY EDUCATION CERTIFICATE  
EXAMINATIONS BOARD**

**\*[NOTE: The following is a summary of the examiners' full report.  
The original can be consulted at the Matsec Office.]**

**SEC ACCOUNTING**  
**May 2007 Session**  
**Examiner's Report**

This report seeks to summarise the general weaknesses found, the rectification of which, will assist candidates when these areas are examined in future examinations. On a general level the candidates found the exam accessible, however there were indications that certain topics were not given sufficient emphasis. Marks were not deducted for poor English, provided that the overall meaning of an answer was able to be understood.

**Table 1: Distribution of grades for SEC Accounting – May 2007 session**

<b>Grade</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>U</b>	<b>Abs</b>	<b>Total</b>
<b>I+IIA</b>	63	140	166	118	77	–	–	105	47	716
<b>I+IIB</b>	–	–	–	42	44	25	50	186	57	404
<b>Total</b>	63	140	166	160	121	25	50	291	104	1120
<b>%</b>	5.63	12.50	14.82	14.29	10.80	2.23	4.46	25.98	9.29	100.00

**PAPER I**

**QUESTION 1:** Generally this question was well answered by candidates sitting for Paper A. However, most of the Paper B candidates found considerable difficulty in preparing a correct profit and loss account.

**QUESTION 2:** This question was straight forward and involved minimal challenge. Very few candidates had difficulties.

**QUESTION 3:** The basic principle of double-entry has been tested in part (e). A significant number of candidates failed to distinguish between trade and cash discounts. Part (d) caused some difficulty for Paper B candidates.

**QUESTION 4:** Candidates sitting for Paper B seem to find the provision accounts difficult to understand. Generally Paper A candidates fared well.

**QUESTION 5:** A common misconception is the reason for providing for depreciation. Surprisingly very few candidates mentioned that depreciation is provided to reduce the net profit. Marks were lost in part (e).

**PAPER II A**

**QUESTION 1:** The question involved significant higher level problem solving skills and yet a good proportion of candidates demonstrated sound knowledge of incomplete records and manufacturing accounts. However, there were others who failed miserably.

**QUESTION 2:** Generally candidates demonstrated a weakness in the suspense account and in the statement to correct net profit.

**QUESTION 3:** Club accounts are regularly tested and judging by the results of this question there has been a marked improvement on the previous years.

**QUESTION 4:** Generally this question was well-answered.

**QUESTION 5:** Marks have been lost in the provision for doubtful debts account and in the rent receivable account. The treatment of specific and general provisions is to be given more attention.

**QUESTION 6:** This question was generally well answered although the disposal account remains a cause of concern. Most of the candidates prepared the accounts for the years 2003 to 2006 whereas only the 2006 accounts were required.

**PAPER II B**

**QUESTION 1:** This question was generally well-answered.

**QUESTION 2:** Candidates sitting for this paper seem to find depreciation difficult to understand.

**QUESTION 3:** Although this question was quite elementary, some candidates failed to post the transactions correctly.

**QUESTION 4:** It is evident that a good number of candidates had not studied this topic in enough detail to answer adequately.

**QUESTION 5:** Very few candidates had difficulties in this question.

**QUESTION 6:** A number of candidates failed to present a proper layout for this question. Typically, those candidates with poor layouts make many elementary errors.

**QUESTION 7:** Accounting for cash discounts and the treatment of trade discounts needs to be given more importance.

**QUESTION 8:** It is disappointing to find so many candidates sitting for this paper who have very limited understanding of accruals, prepayments and provisions.

**The Chairperson  
Board of Examiners  
July 2007**