

MATSEC Examinations Board



Specimen Papers SEC 01 Accounting

Table of Contents

| Specimen Assessments: | Controlled Paper LEVEL 1 | -2 | . 3 |
|-----------------------|---------------------------|-------------------------|-----|
| Specimen Assessments: | Controlled Paper LEVEL 2 | -3 | 20 |
| Specimen Assessments: | Controlled Paper (Private | Candidates) LEVEL 1-2-3 | 39 |

Specimen Assessments: Controlled Paper LEVEL 1-2

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD



SECONDARY EDUCATION CERTIFICATE LEVEL SAMPLE PAPER

(1)

| SUBJECT: | Accounting |
|---------------|---|
| PAPER NUI | R: Level 1 - 2 |
| DATE: | |
| TIME: | 2 Hours |
| | · |
| Answer A | questions. |
| you need. | ne questions in the accounts, formats and spaces provided. There may be more space than ne questions must be answered with a cross in a box \boxtimes . If you change your mind about ar line through the box \boxtimes -and then mark your new answer with a cross \boxtimes . |
| | ay be used. The total mark for this paper is 100. The marks for each question are shown se this as a guide as to how much time to spend on each question. |
| SECTION | |
| This secti | carries 35 marks. |
| Question | |
| a. A cas | ale to Xandru has the following double entry: |
| □ Dr □ Dr | es account; Cr Cash account. ndru account; Cr Sales account. sh account; Cr Sales account. sh account; Cr Xandru account. |
| | (1) |
| b. A cre | note is issued for: |
| □ a s | chase of goods. s return. of goods. ment of an electricity bill. |
| c. A cre | entry in the bank statement represents: |
| □ a d □ ba | ding order. ct debit. charges. k deposit. |

| | (Total: 5 r | narks) |
|----|---|--------|
| | □ royalties. □ rent of showroom. □ factory rent. □ insurance of delivery vehicles. | (1) |
| e. | Which of the following is classified as a variable cost? | |
| | □ They are an efficient method of storing text-based files. □ They do not allow data to be displayed graphically. □ They can be used to maintain accounting records. □ Font, size, and colour of text cannot be changed. | (1) |
| u. | which one of the following statements relating to spreadsheets is true? | |

Question 2

a) Match the statement in column A with the term in column B. The first statement has already been matched.

| | COLUMN A | | COLUMN B |
|-----|---|---|----------------------|
| i | A statement prepared to reconcile the bank account balance with the bank statement balance. | | Bank charges. |
| ii | An amount paid by the business for the services provided by the bank. | i | Bank reconciliation. |
| iii | A cheque that the bank will not pay. | | Bank overdraft. |
| iv | A bank account that allows payments in excess of deposits. | | Dishonoured cheque. |

(3)

b) The following bank statement was received by P. Sant at the end of June 2022:

Bank Statement

| | | Dr | Cr | Balar | nce |
|---------|-------------------------------|-----|-----|-------|-----|
| | | € | € | € | |
| June 1 | Balance b/d | | | 2,500 | Cr |
| June 6 | Cheque 1304 | 300 | | | |
| June 14 | Credit Transfer: T. Busuttil | | 275 | | |
| June 21 | Standing Order: Loan Interest | 160 | | | |
| June 28 | Bank Charges | 20 | | | |
| | | | | | |

Calculate the balance after **each** transaction above stating whether it is a debit or a credit balance. (2)

c) The following is the cash book for the month of June 2022.

Cash Book

| 2022 | Details | € | 2022 | Details | € |
|--------|-------------|-------|--------|------------------------|-------|
| Jun 1 | Balance b/d | 2,500 | Jun 2 | T. Schembri – chq.1304 | 300 |
| Jun 24 | S. Bonnici | 675 | Jun 5 | M. Borg - chq.1305 | 175 |
| | | | Jun 12 | L. Cauchi – chq.1306 | 85 |
| | | | Jun 30 | Balance c/d | 2,615 |
| | | 3,175 | | | 3,175 |
| | | | | | |
| | | | | | |

Prepare the updated cash book (bank account columns) as at 30 June 2022 based on the bank statement provided in question 2(b). (4)

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(Total: 9 marks)

Kurt received the following invoices from two of his suppliers during the first week of March 2022:

| | Roland | Byron |
|-------------------|---------|---------|
| | 2 March | 3 March |
| Goods: List Price | €2,000 | €1,000 |
| Trade Discount | 20% | 10% |

A VAT rate of 10% is applied on all purchases.

Required:

a) Prepare the purchases journal.

(3)

| | Purchases Journ | ıaı | |
|------|-----------------|-----|-------|
| 2022 | Net | Vat | Gross |
| | € | € | € |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| b) | Identify the importance of a spreadsheet in accounting. | (2) |
|----|---|-----|
| | | |
| | | |
| | | |

(Total: 5 marks)

The following table includes information relating to the costs relating to the production of standard wooden chairs produced by a factory situated in Xewkija. The costs relate to direct materials, direct labour, total variable cost, fixed costs and total cost.

| Quantity | Direct Materials | Direct Labour € | Total Variable Cost € | Fixed Cost | Total Cost |
|----------|---------------------|-----------------|-----------------------------|------------|------------|
| | € | | | € | € |
| 0 | 0 | 0 | 0 | 10,000 | 10,000 |
| 1,000 | 20,000 | 10,000 | 30,000 | 10,000 | 40,000 |
| 2,000 | | | | | |
| 3,000 | | | | | |

Calculate the costs and complete the table above, relating to Direct Materials, Direct Labour, Total Variable Cost, Fixed Cost and Total Cost at the quantity levels of:

This space may be used for workings and/or rough work:

(Total: 6 marks)

You are provided with the following information about the opening balances of accounts in the books of the business of Vanessa Vella as at 1 January 2022:

€
Capital 100,000

Bank 90,000

Cash 10,000

The following transactions took place during the month of January:

2022

- Jan 5 Bought goods for resale on credit from Pam Farrugia €1,000.
- Jan 8 Sold goods on credit to Jim Desira €500.
- Jan 11 Cash Sales €650.
- Jan 15 Paid Water and Electricity by cheque €600.

Required:

(a) Record the above transactions in Vanessa Vella's ledger accounts and balance off the accounts on 15 January 2022. (7)

(3)

(b) Prepare a Trial Balance as at 15 January 2022.

Capital Account

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Bank Account

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Cash Account

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | и | | L |

Purchases Account

| | | Purchase | es Account | | |
|------|-------------------|--------------------|------------------|------------------|---|
| 2022 | Details | € | 2022 | Details | € |
| | | | | | |
| | | Sales | Account | | |
| 2022 | Details | € | 2022 | Details | € |
| | | | | | |
| | · | later and Fle | ctricity Account | | |
| 2022 | Details | € | 2022 | Details | € |
| | | | | | |
| | | | | | |
| | | | | | |
| 2022 | Pam F Details | arrugia (Trad € | de Payable) Acc | count Details | € |
| | | | | | |
| | | | | | |
| | | | | | |
| 2022 | Jim De Details | esira (Trade∣ € | Receivable) Acc | count Details | € |
| | | | | | |
| | | | | | |
| | | | | | |

(Total: 10 marks)

SECTION B

This section carries 35 marks.

Question 6

At 31 December 2021 Daniela's Trial Balance included the following balances:

| | € | € |
|--|--------|--------|
| Motor vehicles at cost | 80,000 | |
| Fixtures & fittings at cost | 35,000 | |
| Accumulated depreciation – motor vehicles | | 15,200 |
| Accumulated depreciation – fixtures & fittings | | 21,000 |
| Purchases & sales | 29,500 | 45,000 |
| Inventory (1/1/2021) | 5,700 | |
| Carriage inwards | 750 | |
| Returns outwards | | 170 |
| Trade receivables & trade payables | 25,000 | 18,000 |
| Wages & salaries | 6,000 | |
| Advertising | 1,900 | |
| Other expenses | 2,500 | |

Daniela's inventory at 31 December 2021 was valued at €6,400.

Required:

a) Complete the following statement to calculate Daniela's Gross Profit for the year ended 31 December 2021.

Statement of profit or loss for the year ended 31 December 2021

| Statement of profit or loss for the year ended 31 December 2021 | | | | |
|---|---|---|--|--|
| | € | € | | |
| Sales | | | | |
| | | | | |
| | | | | |
| <u>Cost of Sales</u> | | | | |
| Opening Inventory | | | | |
| Purchases | | | | |
| Carriage Inwards | | | | |
| Returns Outwards | | | | |
| Closing Inventory | | | | |
| | | | | |
| Gross Profit | | | | |
| | | | | |
| | | | | |

| (| This space may be used for workings and/or rough work: |
|---|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| 1 | |
| (| |

- b) At the end of the financial year the following additional information has been provided by Daniela:
 - i) Wages and salaries still outstanding at 31 December 2021 amount to €1,200.
 - ii) A general allowance of 2% of trade receivables at year end is to be created.
 - iii) The business provides a full year depreciation on the assets held at the end of the year as follows:

| Motor Vehicles | 10% reducing balance method |
|-----------------------|-----------------------------|
| Fixtures and fittings | 20% straight line method |

Complete the Statement of Profit or Loss and the Statement of Financial Position extracts below showing the amounts to be included in the financial statements at year end, using the information provided from the list of balances in the Trial Balance and the additional end of year adjustments:

Statement of profit or loss for the year ended 31 December 2021 (extract)

| <u>, </u> | € | € |
|--|---|---|
| <u>Expenses</u> | | |
| Wages and salaries | | |
| Adverting | | |
| Other expenses | | |
| Allowance for trade receivables | | |
| Depreciation: motor vehicles | | |
| Depreciation: fixtures and fittings | | |
| | | |

Statement of financial position as at 31 December 2021 (extract)

| Statement of financial position as at 31 December 2021 (extract) | | | | | |
|--|------|-----------------------------|-----|--|--|
| | € | € | € | | |
| Non-Current Assets | Cost | Accumulated Depreciation | NBV | | |
| Motor Vehicles | | | | | |
| Fixtures & fittings | | | | | |
| | | | | | |
| <u>Current Assets</u> | | | | | |
| Inventory | | | | | |
| Trade Receivables | | | | | |
| Allowance for Trade receivables | | | | | |
| <u>Current Liabilities</u> | | | | | |
| Trade payables | | | | | |
| Accrued expenses | | | | | |
| | | | | | |

(9)

(Total: 20 marks)

Question 7

a) Match the statement in column A with the term in column B. The first statement has already been matched.

(5)

| | COLUMN A | | COLUMN B |
|-----|--|---|---------------------|
| i | A payment in advance for insurance. | | Accrued expense |
| ii | An unpaid water & electricity bill at the end of the year. | i | Prepaid expense |
| iii | Profits and assets are not to be overestimated and liabilities should not be underestimated. | | Accruals concept |
| iv | Expenses incurred in the day-to-day running of the business. | | Revenue expenditure |
| V | The main accounting concept in accounting for depreciation. | | Prudence concept |
| vi | The purchase of a machine. | | Capital expenditure |

- b) Matthew has the following information for the financial year ended 31 December 2021 relating to his business:
 - Telephone expenses

Telephone expenses of €600 each month are incurred by the business. During the year €5,400 were paid by cheque. At 31 December 2021 bills for the period 1 October 2021 to 31 December 2021 were still outstanding.

- Rent payable
 - Matthew rented an office for his business on 1 July 2021 for €6,000 annually. On that date he paid the rent for 12 months for the period 1 July 2021 to 30 June 2022 by cheque.
- Allowance for Trade receivables
 The business maintains a general allowance for trade receivables of 5%. Trade receivables at
 31 December 2021 amount to €25,000. On 1 January 2021 the balance of the allowance for
 trade receivables was €1,000.

Required:

i) The telephone expenses account.

(2)

| Telephone Expenses account | | | | | |
|----------------------------|---------|---|--------|---------------|---|
| 2021 | Details | € | 2021 | Details | € |
| 31 Dec | Bank | | 31 Dec | Profit & Loss | |
| 31 Dec | Bal c/d | | | | |
| 2022 | | | 2022 | | |
| | | | 1 Jan | Bal b/d | |
| | | | | | |

ii) The rent payable account.

(2)

Rent payable account

| 2021 | Details | € | 2021 | Details | € |
|--------|---------|---|--------|---------------|---|
| 31 Dec | Bank | | 31 Dec | Profit & Loss | |
| | | | 31 Dec | Bal c/d | |
| 2022 | | | 2022 | | |
| 1 Jan | Bal b/d | | | | |

iii) The allowance for trade receivables account.

(3)

Allowance for trade receivables account

| | 711.011 | ance ioi ciae | .c.cc.rab. | co account | |
|--------|---------|---------------|------------|---------------|---|
| 2021 | Details | € | 2021 | Details | € |
| 31 Dec | Bal c/d | | 1 Jan | Bal b/d | |
| | | | 31 Dec | Profit & Loss | |
| | | | | | |
| 2022 | | | 2022 | | |
| | | | 1 Jan | Bal b/d | |
| | | | | | |

iv) In the space provided below, state what **each** of the following entries in the commission receivable account marked (i), (ii) and (iii) convey. (3)

Commission receivable account 2021 **Details** € 2021 **Details** 31 Dec Profit & Loss (i) 2,250 31 Dec 2,000 Bank (ii) Bal c/d (iii) 31 Dec 250 2,250 2,250 2022 2022 1 Jan Bal b/d 250

SECTION C

This section carries 30 marks.

Question 8

a) Choose the correct word/phrase from the following table to complete the sentences below. Each word/phrase is to be used only once.

(Total: 15 marks)

(2)

incomplete records statement of affairs depreciation double-entry

| With | bookkeeping a business transaction is | recorded in two accounts. |
|--------------------------------------|--|-------------------------------|
| Every debit entry has a correspondi | ng credit entry. When a business is usir | ng single-entry to record its |
| transactions it will have | The | is a |
| summary of the assets and liabilitie | es of a business. The difference betwee | en the opening and closing |
| book value balances of a non-currer | nt asset is the | for the year. |

b) Maria has been in business for a number of years, but she did not keep proper books of account. She has asked you to help her.

| | | 1 January 2 | 021 |
|------------------------------------|--------------------|------------------------------|---------|
| | | € | |
| Non-current assets (book value) | | 58,000 | |
| Bank | | 2,600 | |
| Inventory at cost | | 15,000 | |
| Trade receivables | | 18,000 | |
| Trade payables | | 12,500 | |
| Loan | | 10,000 | |
| A summary of Maria's bank statemen | its for the year t | o 31 December 2021 includes: | |
| | € | | € |
| Receipts from trade receivables | 207,300 | Payments to trade payables | 152,000 |
| Required: | | | |
| i. Calculate Maria's capital on 1 | January 2021. | | (4) |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

ii. In the space provided below, state what **each** of the following entries in the trade receivables control account marked (i), (ii), (iii) and (iv) convey. (4)

| | | | | _ |
|-------|----------|--------|---|----------|
| Trada | FOCOIV/2 | hio co | NEFFOI | 2000IINT |
| Haue | receiva | me cc | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | account |

2021

Data:la

| 2021 | Details | € | 2021 | Details | € |
|--------|-------------|---------|--------|--------------|---------|
| 1 Jan | Bal b/d (i) | 18,000 | 31 Dec | Bank (ii) | 210,000 |
| 31 Dec | Sales (iii) | 200,000 | 31 Dec | Bal c/d (iv) | 8,000 |
| | | 218,000 | | | 218,000 |
| 2022 | | | 2021 | | |
| 1 Jan | Bal b/d | 8,000 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(Total: 10 marks)

Question 9

2024

Data!la

Leo is a sole trader who operates in the catering industry. He asks for your assistance to help him identify and correct accounting errors. Upon investigating the following errors were discovered:

- i. Proceeds of €10,000 from a loan were deposited in the bank but no entries were made in the books.
- ii. A cash payment of €150 for stationery was recorded in the books as €15.
- iii. Motor vehicle expenses of €5,000 were incorrectly recorded in the motor vehicles account.
- iv. A cash sale of €500 was debited in the sales account and credited in the cash account.

Required:

| a١ | Prepare the journ | nal entries to correc | t the above errors | (narratives are not red | uired) (8 | 8) |
|----|--------------------|-----------------------|--------------------|-------------------------|------------|----|
| u, | r repare the journ | iai entines to correc | t the above enois | (marratives are not ret | quireu). (| J, |

| Journal | | |
|---------|----|----|
| | Dr | Cr |
| | € | € |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| 1 | `` |
|----|--|
| i | |
| 1 | This space may be used for workings and/or rough work: |
| ! | |
| ! | |
| 1 | |
| i | |
| i | |
| 1 | |
| 1 | |
| ! | |
| : | |
| 1 | |
| i. | |
| i | |
| 1 | |
| 1 | |
| ! | |
| 1 | |

| b) List the name of | each of the above (i) to (| iv) errors. | (2) |
|---|----------------------------|------------------------------|-----------------------------|
| | | | |
| | | | |
| Question 10 | | | (Total: 10 marks) |
| a) Choose the correct word/phrase is to be us | | ollowing table to complete | the sentences below. Each |
| allocated | floor area | gross profit margin | apportioned |
| Katrina runs a small bu | usiness operating a cafete | eria and selling grocery goo | ds from the same premises |
| The | measures the | e profit generated by the sa | les of each department. The |
| salary paid to the cafel | teria manager is directly | | to the cafeteria whereas |
| | | ne cafeteria and the grocery | |
| of | | , j | , |
| b) List TWO users of f | | | (2) |
| c) List and explain ON | E main characteristic of a | accounting information. | (2) |
| | | | |

| - | • | ices offered | | tne | Tinanciai | and | accounting | sectors | (2) |
|---|------|--------------|------|------|-----------|-----|------------|---------|-----|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

(Total: 10 marks)

Specimen Assessments: Controlled Paper LEVEL 2-3

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD



SECONDARY EDUCATION CERTIFICATE LEVEL SAMPLE PAPER

| SUBJECT: | Accounting |
|--|---|
| PAPER NUMBER: | Level 2 - 3 |
| DATE: | |
| TIME: | 2 Hours |
| Answer ALL qu | estions. |
| you need. Some | questions in the accounts, formats and spaces provided. There may be more space that questions must be answered with a cross in a box \boxtimes . If you change your mind about alse through the box \boxtimes and then mark your new answer with a cross \boxtimes . |
| | be used. The total mark for this paper is 100. The marks for each question are shown this as a guide as to how much time to spend on each question. |
| SECTION A | |
| This section ca | rries 35 marks. |
| Question 1 | |
| a. A withdraw | al of cash from the bank for the proprietor's personal use has the following effect: |
| ☐ Decreas | e in assets and increase in capital. |
| _ | e in assets and decrease in capital e in assets and increase in liabilities. |
| _ | the above. |
| | (1 |
| b. The sales re | eturns account is found in the: |
| ☐ General | ledger. |
| ☐ Sales le | |
| | turns journal. |
| ☐ Sales jo | urnal. (1 |
| c. A debit bal | ance in the bank statement represents: |
| ☐ An unpr | esented cheque. |
| ☐ A direct | |
| \square An over \square A bank \circ | |
| | acpositi |

(1)

| | 3 | sified as a varia | | | |
|--------------------------------|---|-------------------|----------------|---------------------|-------------------|
| ☐ Power ☐ Factor | ase of raw material. to run the machines. y rent. commission. | | | | |
| | | | | | (1) |
| | | | | | (Total: 4 marks) |
| Question 2 | | | | | |
| | 022 the bank account ent was received on th | | | | |
| Upon investiga | tion it was noted that: | | | | |
| • Cheque | s amounting to €1,280 | paid to supplie | ers were not p | resented to the bar | nk for payment. |
| A credit | transfer of €6,640 fro | m a customer l | had not been | entered in the cash | book. |
| | s received from custon cluded in the bank stat | | g to €860 and | deposited into the | bank have not yet |
| Required: a) An upda | ated cash book (bank a | account column | s) as at 31 Ma | arch 2022. | (2) |
| | | | | | |
| 2022 | Details | € | 2022 | Details | € |
| 2022 | Details | € | 2022 | Details | € |
| 2022 | Details | € | 2022 | Details | € |
| 2022 | Details | € | 2022 | Details | € |
| 2022 | Details | € | 2022 | Details | E |
| 2022 | Details | • | 2022 | Details | E |
| 2022 | Details | • | 2022 | Details | E |
| | Details reconciliation statemen | | | Details | (4) |
| | | | | Details | |
| | | | | | (4) |
| | | | | | (4) |
| | | | | | (4) |
| | | | | | (4) |
| | | | | | (4) |

c) A business employs 100 workers who are paid a basic rate of €5 per hour for a normal 40 labour hours per week. Employee deductions total 20% of gross wages. Record the above in the wages account, and in the national insurance and income tax account for March 2022, assuming a 4-week period.

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(Total: 10 marks)

Kurt received the following invoices from two of his suppliers during the first week of March 2022:

| | Roland | Byron |
|-------------------|---------|---------|
| | 2 March | 3 March |
| Goods: List Price | €2,000 | €1,000 |
| Trade Discount | 20% | 10% |

A VAT rate of 10% is applied on all purchases.

Required:

a. Prepare the purchases journal.

(2)

| | Α | В | С | D | Е |
|----|----------|------------|-----|-----|-------|
| 1 | Purchase | es Journal | | | |
| 2 | 2022 | | Net | VAT | Gross |
| 3 | | | | 10% | |
| 4 | | | € | € | € |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |

| b. Write down the formula that should be included in Cell D5 to calculate the VAT so that t | :he correct cell |
|---|------------------|
| referencing is kept when copying it to other cells in Column D. | (1) |
| | |
| | |
| | |
| | |
| | |

c. Open the purchases ledger accounts which would be affected by the above invoices and make the necessary entries. (2)

| 2022 | Details | € | 2022 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(Total: 5 marks)

| | А | В | С | D | E | F |
|----|--------|----------------|------------|--------|---------|---|
| 1 | | Bai | nk account | | | |
| 2 | 2021 | Details | Debit | Credit | Balance | |
| 3 | | | € | € | € | |
| 4 | Dec-01 | Capital a/c | 25,000 | | 25,000 | |
| 5 | Dec-03 | Cash a/c | | 150 | | |
| 6 | Dec-08 | Purchases a/c | | 760 | | |
| 7 | Dec-12 | Rent a/c | | 500 | | |
| 8 | Dec-18 | Drawings a/c | | 300 | | |
| 9 | Dec-23 | Furniture a/c | | 2,400 | | |
| 10 | Dec-27 | Wages a/c | | 800 | | |
| 11 | Dec-28 | Commission a/c | 480 | | | |
| 12 | Dec-29 | Furniture a/c | 300 | | | |
| 13 | | | | | | |

| a. | A business uses a spreadsheet package to record its financial transactions using the balance. An extract of the bank account entries for December 2021 is shown above. W the formula that should be used in cell E5 to correctly calculate the balance. | |
|----|---|-----|
| | | (1) |
| | | |
| | | |
| | | |
| | | |

b. Calculate and write down in cell E12 the closing balance of the bank account at 31 December 2021. (1)

c. An extract of a sales invoice is shown below. Complete the invoice with the missing figures in the total column. (2)

| | А | В | С | D |
|----|----------|-----------------|--------------------|-------|
| 1 | Quantity | Description | Unit price | Total |
| 2 | | | € | € |
| 3 | 5 | Photocopy paper | 8.20 | |
| 4 | 10 | Files | 2.00 | |
| 5 | 8 | Folders | 3.50 | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | Sub total | |
| 10 | | | Trade Discount 10% | |
| 11 | | | VAT 15% | |
| 12 | | | TOTAL DUE | |
| 13 | | | | |

| d. | Write down the formula that should be used in cell D12 to correctly calculate the t due. | otal amount (2) |
|----|--|--------------------|
| | | |
| | | |

(Total: 6 marks)

Question 5

Fun & Play Ltd will be introducing a new game, Sibt Teżor, on the market before the Christmas season. The company believes that the board game will be successful, but it is aware that the demand will vary depending on the selling price. The costs to produce this game and the proposed selling price are the following:

| | € |
|---------------------------------|--------|
| Direct material cost per unit | 8 |
| Direct labour cost per unit | 7 |
| Variable overhead cost per unit | 3 |
| Fixed costs for the period | 33,150 |
| Selling price | 35 |

The marketing team has established that at this selling price, 3,600 games will be sold.

Required

| | € | € |
|--|--|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| b. Calculate the break-even point in units. | ı | (2) |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| s. The general manager is not convinced that the colling | price chould be 625. He c | uuggasta a colling |
| c. The general manager is not convinced that the selling price of €30 to sell more games. At this selling price the | price should be €35. He s | suggests a selling |
| c. The general manager is not convinced that the selling price of €30 to sell more games. At this selling price th games. Calculate the profit for this proposal. | price should be €35. He s ne quantity of sales is expe | suggests a selling ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | price should be €35. He s ne quantity of sales is expe € | ected to be 4,100 |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |
| price of €30 to sell more games. At this selling price th | ne quantity of sales is expe | ected to be 4,100 (2) |

(Total: 10 marks)

SECTION B

This section carries 35 marks.

Question 6

The following trial balance was extracted from the ledger accounts of Tom's business on 31 December 2021 after the calculation of gross profit:

| | € | € |
|---|---------|---------|
| Property (cost and accumulated depreciation 1/01/2021) | 392,000 | 26,200 |
| Machinery (cost and accumulated depreciation 1/01/2021) | 80,000 | 32,000 |
| Inventory (31/12/2021) | 31,000 | |
| Gross profit | | 265,000 |
| Wages & salaries | 64,200 | |
| Maintenance | 14,700 | |
| Office expenses | 4,200 | |
| Water & electricity | 3,500 | |
| Insurance | 4,800 | |
| Discounts | 1,800 | 2,500 |
| Printing & stationery | 2,100 | |
| Communication expenses | 15,600 | |
| Rent | 6,000 | |
| Trade receivables and payables | 28,000 | 19,000 |
| Allowance for receivables (1/01/2021) | | 1,100 |
| Cash & bank | 500 | 2,300 |
| Commission received | | 1,900 |
| 5% Loan | | 50,000 |
| Loan interest | 2,500 | |
| Capital | | 280,000 |
| Drawings | 29,100 | |
| | 680,000 | 680,000 |

At the end of the financial year the following information has been provided:

- i) The business rents a warehouse for €600 monthly.
- ii) The insurance payments include an annual payment of €1,600 for the year ending 30 June 2022.
- iii) A general allowance of 5% of trade receivables at year end is to be maintained.
- iv) The business provides a full year depreciation on the assets held at the end of the year as follows:

Property 2% straight line method

Machinery 20% straight line method

This space may be used for workings and/or rough work:

Required:

a. The statement of profit or loss for the year ended 31 December 2021 starting from gross profit. (12)

| Statement of profit or loss for the year ended 31 December 2021 | | |
|---|---|---|
| | € | € |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

b. The statement of financial position as at 31 December 2021.

(8)

| Statement of financial position as at 31 December 2021 | | | | |
|--|---|---|---|--|
| • | € | € | € | |
| | | _ | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | • | • | · | |

(Total: 20 marks)

The following information for the financial year ended 31 December 2021 relates to the business of Sarah:

• Rent Receivable

The business receives €2,500 rent monthly. On 1 January 2021 one month rent was in arrears and on 31 December 2021 two months' rent were still to be collected.

• Allowance for Depreciation – equipment

The following information relates to the equipment owned by the business:

| | Cost | Depreciation |
|----------------|---------|--------------|
| 1 January 2021 | €75,000 | €38,500 |

On 1 April 2021, equipment purchased on 1 April 2019 for €20,000 was sold for €7,000. On the same date new equipment was bought for €12,000.

It is the policy of the business to depreciate equipment at 20% on cost annually, charging depreciation for each month of ownership.

Required:

In the space provided overleaf, for the year ended 31 December 2021, prepare the:

- a) Rent receivable account.b) Allowance for depreciation account.(5)
- c) Asset disposal account. (5)

This space may be used for workings and/or rough work:

| 2021 | Details | € | 2021 | Details | € |
|------|---------|----------|----------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | <u> </u> | <u> </u> | | |

(Total: 15 marks)

SECTION C

This section carries 30 marks.

Question 8

Kim has been in business for a number of years selling sports wear and sports equipment. She did not keep proper books of account but with the help of her son who is studying accounting she was able to extract the following details from the few records that are available.

| | 1 January 2021 | 31 December 2021 |
|-------------------|----------------|-------------------------|
| | € | € |
| Inventory at cost | 45,000 | 48,100 |
| Cash in hand | 300 | 200 |
| Trade receivables | 75,500 | 70,500 |

A summary of Kim's bank statements for the year to 31 December 2021 includes:

Receipts from trade receivables 680,100 Purchases 478,200 Cash sales banked 17,300

• The business sales are mainly on credit. However, Kim has a few customers who pay immediately in cash. Cash sales are banked with the exception of €3,500 each month which Kim keeps for her personal use.

Required:

- a) The cash account. (3)
- b) The sales ledger control account. (3)
- c) An extract of the statement of profit or loss showing the calculation of gross profit for the year ended 31 December 2021. (4)

| 2021 | Details | € | 2021 | Details | € |
|------|---------|---|------|---------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| 2021 | Details | € | 2021 | Details | € |
|------|---------|---|------|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | *************************************** | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| € | € |
|----|---|
| ŧ. | E |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

(Total: 10 marks)

Spot's financial year ended on 31 March 2022.

The net profit for the year was estimated at €36,770. After careful examination of the books, it was discovered that the following omissions and errors had been made:

- i. An account receivable of €2,050 had been declared bankrupt. No accounting entries have been made.
- ii. Maintenance €4,500 had been posted in the account of premises.

a. Journal entries to correct the above errors (narratives are **not** required).

iii. A cash sale of €780 had been entered only in the cash book.

Required:

| b. A statement to correct net profit. | | (4) |
|---------------------------------------|----|-----|
| Journal | | |
| | Dr | Cr |
| | € | € |

| Dr | Cr |
|----|----|
| € | € |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Í | |

(Total:10 marks)

(6)

Question 10

| TI C II . | _ | C . I | | | | | | | | | |
|-----------------|------------|-----------|-----------|-----------|-----|-----------------|----------|--------|------------|---------|--------|
| The following a | are a tew | of the ac | ccountina | ratios of | two | husinesses o | neratino | ı ın t | he same i | ndustry | sector |
| The removing | a. c a . c | 0. c u | cccameng | | | 5 45.1.165565 6 | PCIGCIII | , | ne canne i | aast. , | 00000. |

| The following are a few of the accounting ratios of the | wo businesses operatir | ig in the same indu | stry sector: |
|--|-------------------------|---------------------|--------------|
| | Impress Ltd | Excel Ltd | |
| Return on capital employed | 25% | 20% | |
| Gross profit margin | 17% | 25% | |
| Net profit margin | 10% | 15% | |
| a. Which business has the better profitability? | | | (1) |
| b. Which business has lower expenses in relation t | to its sales? | | (1) |
| c. State TWO possible reasons for the lower gross | s profit margin of Impr | ess Ltd. | (2) |
| | | | |
| This space may be used for workings and/or rough work: | | | |

| d. | List FOUR users of financial statements. | (2) |
|----|--|-----|
| | | |
| e. | Distinguish between primary and secondary users of accounting information. | (2) |
| | | |
| f. | Evaluate how accounting may be used as a tool for business and personal finance. | (2) |
| | | |
| | | |
| | | |

(Total: 10 marks)

Specimen Assessments: Controlled Paper (Private Candidates) LEVEL 1-2-3

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD



SECONDARY EDUCATION CERTIFICATE LEVEL SAMPLE PAPER - PRIVATE CANDIDATES ONLY

SUBJECT: Accounting

PAPER NUMBER: Level 1-2-3

DATE:

TIME: 2 Hours

Answer ALL questions.

Answer **ALL** the questions in the accounts, formats and spaces provided.

Calculators may be used. The total mark for this paper is 100. The marks for each question are shown in brackets. Use this as a guide as to how much time to spend on each question.

SECTION A

This section carries 55 marks.

Question 1

Ninu produces a single model of standard water heaters. The following figures were obtained from the books for the year ended on 31 December 2022.

| | € | | € |
|-----------------------------|---------|-------------------------------|---------|
| Inventories 1 January 2022: | | Insurance | 18,000 |
| raw materials | 25,000 | Rent | 45,000 |
| work in progress | 16,250 | Administrative salaries | 51,500 |
| Power | 28,500 | Water & electricity | 14,000 |
| Transport of raw materials | 18,250 | Machinery | 350,000 |
| Royalties | 24,000 | Office equipment | 50,000 |
| Factory cleaning | 12,000 | Advertising | 11,200 |
| Purchases of raw materials | 305,000 | Inventories 31 December 2022: | |
| Machine maintenance | 27,500 | raw materials | 32,000 |
| Production wages | 301,500 | work in progress | 26,000 |
| Indirect materials | 16,000 | finished goods | ? |
| Carriage on sales | 4,000 | Sales | ? |

Additional information:

- i) Production wages include €60,000 indirect factory wages.
- ii) Depreciation is provided on all non-current assets at 10% of the net book value.
- iii) At 31 December 2022, administrative wages of €500 were still unpaid, whereas advertising of €1,200 is a payment in advance for January 2023.
- iv) The apportionment of expenses between factory and administration is as follows:

| | Factory expenses | Administrative expenses |
|-----------------------|------------------|-------------------------|
| Insurance | 2/3 | 1/3 |
| Rent | 2/3 | 1/3 |
| Water and electricity | 1/2 | 1/2 |

v) During the year, 4,000 water heaters were produced and 3,900 were sold for €300 each. On 1 January 2022 Ninu did not have any finished water heaters in inventory.

Required:

a) A manufacturing account for the year ended 31 December 2022. (12)

Manufacturing account for the year ended 31 December 2022 € €

| b) Calculate the total production cost of each water heater. | (2) |
|---|------|
| | |
| | |
| c) Calculate the value of closing inventory of Finished Goods. | (2) |
| | |
| | |
| | |
| | • |

d) A statement of profit or loss for the year ended 31 December 2022. Workings for the valuation of sales revenue are to be clearly shown in the space provided overleaf. (8)

| | 1 | |
|--|---|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| pace to show the working of the Sales value. | | |
| | | |
| | | |
| | | |
| | | |

e) Ninu's son, Noel has recently started producing school furniture. The following table shows the variable costs, fixed costs and total costs for the production of 200 standard school chairs produced by the factory. Knowing that you are studying accounting he asked you to complete the following table, calculating the costs for the given levels of output. (6)

| A ativity lavel | 0 units | 200 units | 500 units | 1,500 units |
|-----------------|---------|-----------|-----------|-------------|
| Activity level | € | € | € | € |
| Variable cost | 0 | 2,000 | | |
| Fixed cost | 2,000 | 2,000 | | |
| Total cost | 2,000 | 4,000 | | |

(Total: 30 marks)

Question 2

Fashion Ltd is a retail business that has two main departments at its retail outlet in Mosta – Men Clothing and Women Clothing. The following is an extract from the trial balance as at 31 December 2022:

| | € |
|--|---------|
| Sales | |
| Men Clothing | 675,000 |
| Women Clothing | 450,000 |
| Inventory at 1 January 2022 | |
| Men Clothing | 112,500 |
| Women Clothing | 75,000 |
| Non-current assets (Net Book Value) | 300,000 |
| Purchases | |
| Men Clothing | 300,000 |
| Women Clothing | 187,500 |
| Accrued water and electricity 1 January 2022 | 3,750 |
| Water and electricity payments during the year | 40,500 |
| Salaries | 87,750 |
| Rent | 69,750 |
| Communication expenses | 3,900 |
| Administrative expenses | 67,500 |
| Prepaid insurance 1 January 2022 | 12,000 |
| Insurance payments for the year 31 December 2022 | 54,000 |
| Discounts allowed | 5,000 |
| Transport expenses | 22,500 |
| Advertising | 48,750 |
| Trade receivables | 49,000 |
| Trade payables | 61,500 |
| Bank overdraft | 6,250 |

Additional information:

i) Inventory as at 31 January 2022:

| | € |
|----------------|--------|
| Men Clothing | 67,000 |
| Women Clothing | 42,000 |

- ii) The rent of the business is €72,000 every year.
- iii) Prepaid insurance at 31 December 2022, €6,000.
- iv) Accrued expenses at 31 December 2022 were:

Water & electricity

€3,000 €600

Communication expenses

- v) Depreciation on non-current assets is to be calculated at the rate of 20% per annum on the net book value of the assets at year-end.
- vi) Expenses are apportioned between the two departments as follows:
 - o Salaries, administrative expenses, communication expenses, discounts and transport expenses in proportion to turnover;
 - o Water and electricity, insurance and rent in proportion to floor area;
 - Floor area of the respective departments is:
 - Men Clothing

75%

Women Clothing 25%

o All other expenses are to be apportioned equally between the two departments.

This space may be used for workings and/or rough work:

Required:

a) A columnar statement of profit or loss for the year ended 31 December 2022, showing the gross profit and the net profit of each department. Total columns are required. (21)

Statement of profit or loss for the year ended 31 December 2022

| Statement of profi | | | | | | +-1 |
|--------------------|--------|--------|----------------|---|----|-----|
| | Men Cl | otning | Women Clothing | | 10 | tal |
| | € | € | € | € | € | € |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | L | | A | | 4 | .1 |

b) List the current assets and the current liabilities at 31 December 2022 calculating the total net current assets (working capital). (4)

| € | € |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

(Total: 25 marks)

SECTION B

This section carries 45 marks.

Question 3

| a) What is a trial balance? Explain its purpose. | (2) |
|---|------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| b) Angela is the proprietor of a retail outlet. She withdraws €2,000 cash every month f Show the double entry for the monthly transaction. | for personal use |
| Debit (Dr) | |
| Credit (Cr) | |
| c) Distinguish between assets and liabilities. | (2) |
| | |
| | |
| | |
| | |
| | |
| d) Define the cost concept and explain its importance. | (3) |
| | |
| | |
| | |
| | |
| | |

e) Prepare a statement of financial position from the following list of balances at 31 December 2022.

| | € | | € |
|------------------------|---------|----------------------------|--------|
| Premises | 150,000 | Inventory 31 December 2022 | 31,000 |
| Loan | 30,000 | Cash in hand | 100 |
| Capital 1 January 2022 | 195,000 | Accounts Payable | 10,000 |
| Equipment | 20,000 | Net Profit for the year | 55,000 |
| Drawings for the year | 35,000 | Accounts Receivable | 5,000 |
| Machinery | 50,000 | Bank overdraft | 1,100 |

Statement of financial position as at 31 December 2022

| Statement of financial position as at 31 Deci | | | |
|---|---|---|--|
| | € | € | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(Total: 15 marks)

Question 4

| a) Distinguish between a statement of account, cash sale receipt and a remittance advice. | (3) |
|--|--------------|
| b) Explain the difference between a cash transaction and a credit transaction. | (2) |
| | |
| c) On 5 December 2022, A. Presto sold goods, list price €1,000, to B. Arrivederci. The cus entitled to a trade discount of 20%. Assuming a VAT rate of 10%: | stomer is |
| i) Calculate the trade discount. | (1) |
| ii) Calculate the amount receivable by A. Presto according to the invoice issued to the cust | omer. (1) |
| This space may be used for workings and/or rough work: | |

iii) Show how the entry for this transaction would appear in A. Presto's Sales Day Book. (1) Sales day book 2022 Net Vat **Gross** € € € iv) Prepare A. Presto's account in the sales ledger. (1) Details 2022 € 2022 € **Details** v) Prepare the VAT account. (1) 2022 **Details** € 2022 € **Details** vi) Prepare the Sales account. (0.5)2022 Details 2022 Details € € vii) Define VAT. (0.5)d) Differentiate between the accounting treatment of trade and cash discounts. (4)

(Total: 15 marks)

Question 5

On 1 December 2022, Carl started business selling fruit and vegetables. He deposited €15,000 in a bank account and started trading.

The following transactions were recorded in his first week of operations:

- **Dec 1** Purchased a small van for €14,000 paying a deposit of €2,500 by cheque.
- **Dec 2** Purchased inventory from another supplier and paid €950 by cheque.

Cash sales for the day amounted to €2,100.

Dec 3 Deposited €1,800 into the bank account.Cash sales for the day amounted to €3,200.

Dec 5 Carl took €800 from the cash box for his personal use and deposited all the rest of the cash into bank except for €200.

Required:

a) Draw up and balance Carl's cash book for the first week of business. (4.5)

| 2022 | Details | Cash | Bank | 2022 | Details | Cash | Bank |
|------|---------|------|------|------|---------|------|------|
| | | € | € | | | € | € |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| b) i. | Explain the following terms: the use of the cash book. | (1 |
|----------|--|----|
| | | |
| | | |
| | | |
| | | |

| ii. | the purpose of a bank statement. | (1) |
|------|----------------------------------|-------|
| iii. | a bank overdraft. | (1) |
| iv. | gross wage. | (0.5) |
| v. | net wage. | (0.5) |
| vi. | income tax. | (0.5) |
| | | |

c) On 31 December 2022 the bank account in Carl's cash book showed a debit balance of €2,150. On the same date, the business received the bank statement, but it had a different balance from that in the cash book.

Upon examining the bank statement, it was realised that:

- Cheques received €1,800 and deposited into the bank had not been included in the bank statement
- Cheques paid to suppliers €1,300 were not yet presented to the bank.

Required:

A bank reconciliation statement at 31 December 2022.

| | . , |
|---|-----|
| | |
| | |
| € | € |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

(Total: 15 marks)

(6)