

STUDENT NAME:.....

CLASS.....

NAPARIMA COLLEGE

FORM: 5 N, A, P, S



TERM II (2023/2024)

TIME: 3 hrs

CSEC PRINCIPLES OF ACCOUNTS

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READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. This paper consists of **FIVE** questions. **Answer ALL questions.**
2. Write your answers in the spaces provided in the booklet.
3. Do **NOT** write in the margins.
4. You may use silent, non-programmable calculator to answer questions.
5. If you need to rewrite any answer and there is not enough space to do so on the original page, you must use the extra lined page(s) provided at the back of this booklet. **Remember to draw a line through your original answer.**

1. R.Pierre is in the process of preparing her final accounts. The following information was made available on 31 March 2017.

	\$
Total non-current assets	106 800
Trade payables	17 600
Net sales	260 000
Closing inventory	12 000
Capital (1 April 2016)	76 200
Cost of sales	86 000
General expenses	90 800
Accounts receivable	9 550
Cash at bank	35 000
Cash in hand	7 650
Drawings	6 000

(a) Determine the following for R. Pierre (show working):

(i) Net profit

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(2 marks)

(ii) Gross profit percentage

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(2 marks)

position.

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(5 marks)

Total 20 marks

2. Michelle Martin maintains both a three-column cash book and a petty cash book. The petty cash float is \$300 every month. All payments for stationery and cleaning expenses are recorded in the petty cash book.

The balances at 1 December 2016 were as follows:

	\$
Cash	900
Bank	5 300
Petty cash	55

During the month of December, the following transactions were recorded in the books:

December 1 Restored imprest by cash to the petty cash book

- 8 Paid \$500 rent by cheque
- 9 Received \$900 cash from S. Smith in full settlement of his account for \$1 000
- 10 Purchased office stationery for \$15, and cleaning supplies for \$25.95
- 12 Bought office stationery for \$52.50
- 13 Purchased printing paper for \$9.95
- 15 Deposited \$400 cash into bank
- 16 P. Kan paid his account of \$800 by cheque, less 5% discount
- 19 Owner withdrew \$200 cash for private use
- 21 Purchased heavy duty stapler for \$39.75
- 25 Paid cheque to L. Lamb for amount owing, \$800 receiving 2% discount
- 28 Paid cleaning wages for \$75

(a) Complete the three-column cash book in the page provided for Michelle Martin for the month of December 2016.

(8 marks)

2016	Details	F	Disc	Cash	Bank	2016	Details	F	Disc	Cash	Bank

(b) Complete petty cash book for Michelle Martin for the month of December 2016.

Amount	Date	Details	Total	Stationary	Cleaning

(7 marks)

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(7 marks)

(ii) V. Cheeseman records the following figures in his summarized Cash Book BEFORE correcting the relevant errors:

**Summarized Cash Book (bank column only)
for the month ended 31st August 2011**

	\$
Opening balance	1 560
Receipts	<u>8 910</u>
	10 470
Payments	<u>(7 900)</u>
Closing balance	<u>2 570</u>

Beginning with the incorrect balance of \$ 2 570, correct the summarized Cash Book for the relevant errors given above (**Show all working.**)

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(5 marks)

(b) The following information is recorded in EITHER the bank statement or in V. Cheeseman's Cash Book but NOT in both

	\$
Bank charges	120
Standing order for vehicle insurance	600
Cheque dated 30 August 2010 sent to supplier	570
Cheque returned stamped "Insufficient Funds"	390
Direct deposits from debtors	4 500
Deposit to bank on 31 August 2011	990

The bank statement for the month ended 31 August 2011 shows a balance of \$5 680.

(i) Using the corrected summarized Cash Book balance from (a)(ii) above, draw up an updated Cash Book for the month ended 31 August 2011

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(5 marks)

(ii) Starting with the updated Cash Book balance, draw up a Bank Reconciliation Statement for V. Cheeseman for the month ended 31 August 2011

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(3 marks)

Total 20 marks

4. Sally Walker is a sole trader who operates a variety store. Trading started on March 1, 2006. The following transactions in a certain product occurred during the month.

MARCH	1	Purchased	20 units	@ \$4	each
	3	Purchased	30 units	@ \$5	each
	5	Sold	25 units	@ \$7	each
	6	Purchased	60 units	@ \$5.50	each
	7	Sold	40 units	@ \$8	each
	8	Sold	30 units	@ \$8.20	each

Required:

- (a) Complete the stock form provided using the FIFO method of stock valuation to determine the number of units and cost per unit of stock remaining on March 8.

Sally Walker Stock Card

DATE	PURCHASES		SALES		BALANCE	
	UNIT	COST (\$)	UNIT	COST (\$)	UNIT	COST (\$)

(15 marks)

- (b) Calculate the value of the remaining units (stock) using the FIFO Method. (1 mark)

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(c) Assume that the units sold on March 7 were those bought on March 6:

(i) Calculate the gross profit made on the units sold on March 7. (Show workings.) (2 marks)

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(iii) What method of stock valuation is being assumed? (1 mark)

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(d) Name ONE other method of stock valuation. (1 mark)

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Total 20 marks

5. Mikail Jack is a music artiste. On March 31, 2011, he provided the following information about his assets and liabilities:

1. He owns recording equipment valued at \$40 000.
2. He also owns musical instruments worth \$15 000.
3. He owns a car, which was bought at a cost of \$65 000. The car was bought with the help of a five-year loan of \$30 000 from Easy Finance Company. Accumulated depreciation as at March 31, 2011 is \$18 000.
4. There is an inventory of pre-recorded CDs on hand, valued at \$5 700.
5. He sold \$300 worth of his pre-recorded CDs to a fan, who promised to pay in April 2011.
6. The Cancer Society owes him \$8 000 for performing at a public function.
7. He paid \$650 in advance to Star Advertising Company which is working on his new advertising campaign.
8. He holds a bank account of \$8 925, and has petty cash on hand of \$50.
9. He owes \$2 500 in interest charges on a loan from Easy Finance Company.
10. He rents a recording studio for \$1 500 per month – three months' rent remains unpaid at March 31, 2011.

Prepare a classified Statement of Financial Position (Balance Sheet) for Mikail Jack, as at March 31, 2011. (Use the order of permanence in classifying assets.)

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