

SIR ARTHUR LEWIS COMMUNITY COLLEGE

Division of Technical Education & Management Studies

EXAMINATION SESSION : April - May 2009

TUTORS : Mr Nat B. Goolaman

PROGRAMME TITLE : Business Studies - Applied Arts

PROGRAMME CODE : 3BS-ABA-AD

COURSE TITLE : Financial Accounting I

COURSE CODE : ACC101

CLASS(ES) : Year 1

DATE : Monday, 11th May, 2009

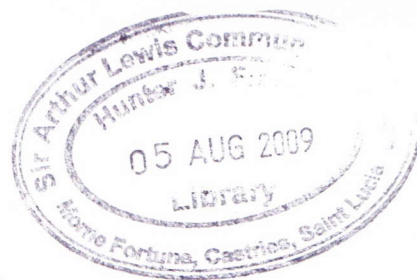
TIME : 9:00 a.m.

DURATION : 3 hours

ROOM : TRT-R3

INVIGILATOR(S) : L. Joseph A. Plummer

#A41



INSTRUCTIONS:

This examination contains Two (2) sections.

Section I: Multiple Choice - Answer ALL questions in this section.

Section II: Part A - Compulsory Problem-Type question.

Part B - Answer *any three(3)* questions.

You are required to provide your own statistical calculators, pens, pencil, erasers, rulers, etc.

Note: Do not waste undue time on any question.

- ◆ Please number your responses accurately.
- ◆ Write your ID Number on *each* answer sheet.
- ◆ All cell phones must be turned off during the Examination.
- ◆ **Note:** Bags, books as well as writing paper not given by the invigilator should be deposited at the front of the examination room or as otherwise indicated.
- ◆ Students must sign **IN** and **OUT** on the exam class list.

2. A partially completed worksheet is provided for ALF Enterprises, for the year ended 31 May 2004.

REQUIRED:

Complete the worksheet by preparing the Trading, Profit & Loss A/c, and the Balance Sheet sections.

[Total 25 marks]

SECTION II

INSTRUCTION: Answer ANY THREE (3) complete questions from this section.

3. D. Hunter keeps separate Sales and Purchases Ledgers. The following data relate to his Debtors and Creditors:

2004		\$
September 1	Balance of Purchases Ledger Control A/c	4140
	Balance of Sales Ledger Control A/c	2670
30	Sales for month	2890
	Receipts from Debtors	2405
	Discounts Allowed	125
	Purchases for month	3960
	Sales Returns	65
	Payments to Creditors	3920
	Discounts Received	95
	Purchases Returns	145
	Transfer of debit balance from Purchases Ledger to Sales Ledger	120

REQUIRED:

- (A) Prepare the Sales Ledger Control A/c for the month. (7 marks)
- (B) Prepare the Purchases Ledger Control A/c for the month. (8 marks)

[Total 15 marks]

4. The following are the Cash Book and Bank Statement of Auto Accessories Inc. for the month of May 2004:

Cash Book

2004		\$	2004		\$
May 1	Balance b/d	1,282.40	May 7	M A Jacobs	442.50
8	M James	105.30	13	LUCELEC	225.33
15	Sales	486.32	18	K Maraj	108.45
22	Sales	742.55	23	N Nathan	241.33
27	R Brice	45.60	26	B'DOS MUTUAL	896.35
29	C Arthur	38.35	30	S Thompson	52.60
31	Sales	<u>804.40</u>	31	Balance c/d	<u>1,538.36</u>
		<u>3,504.92</u>			<u>3,504.92</u>

- (E) Calculate the Working Capital on Jan 1, 2003. (2 marks)
- (F) Arrange items 1, 2, 4 and 8 in Order of Liquidity. (2 marks)
- (G) What term describes the reduction in the value of machinery? (1 mark)
- (H) How much money is owing to the firm on Dec 31, 2003? (2 marks)
- [Total 15 marks]

6. Enter the following transactions in a **Three-Column Cash Book**. Balance off the Cash Book at November 30, 2004 and write up the discount accounts in the general ledger.

2004

Nov 1 Balances brought down: Cash \$2 186; Bank \$97

3 The following paid their accounts by cheque, in each case deducting 2 ½ % cash discount: H. Red \$1 000; C. White \$280; P. Pink \$180; O. Green \$600.

7 Banked cash \$134.

7 Paid rent by cheque \$88.

12 We paid the following accounts by cheque, in each case deducting 5% cash discount: J. Happy \$400; H. Sad \$640; D. Glad \$200.

13 Proprietor took \$250 cash for personal use.

19 Cash sales \$206.

19 Paid wages by cheque \$250.

22 Bought fixtures by cheque \$8 000.

23 Sold motor van receiving cash \$7 100.

24 Paid the following accounts by cash: L Luke \$117, less \$16 cash discount.
S. Mark \$206, less \$18 cash discount.

27 Paid telephone \$169 by cheque.

30 Bought stationery paying \$60 cash.

[Total 15 marks]

7. *Sugar and Spice Ltd* is a confectionery business that sells cakes, patties and other pastries. The balances at the year ending December 31, 2003 were as follows:

	Cakes	Patties	Pastries
Sales	\$9,750	\$6,500	\$6,800
Wages.....	650	488	600
Purchases.....	7,670	5,330	5,600
Opening Stock.....	162	130	128
Closing Stock.....	196	98	120