

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 2: Accounting**Sample paper**

(1 hour 30 minutes)

It is necessary to respond on the answer sheet provided alongside this question paper. Additionally, you must have a a dark blue or black pen.

INSTRUCTIONS:

- You must write your name, candidate number, centre name and centre number on the answer sheet in the designated space.
- This paper consists of 5 questions, along with their parts and it is essential that you attempt all of them.
- It is important to follow the instructions provided on the answer sheet.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

- This paper has a total of 100 marks

Structured Questions:

1. Ruby has been approached by Nia and has been asked whether she would like to buy her bakery. Nia's bakery is of small stature and sells a special cake recipe from China. Nia informs Ruby of following information:
 1. 3 bakers' salary of \$7,000 per person per month
 2. Bakery rental of \$11,000 per month
 3. Other expenses (do not vary with sales volume) are \$5,000
 4. Monthly sales volume is 9,000 cakes
 5. Bakery has loyal customers
 6. \$700,000 in selling the business
 7. Annual profit is \$110,000
 8. Return on investment is 20% p.a

Solve:

- (a) Calculate monthly and annual profit.
- (b) Explain the benefits of calculating profitability of a business.
- (c) Calculate the contribution margin of per unit cake.
- (d) Assess the method of marginal costing.
- (e) Find the fixed costs and total fixed costs per month.

2. Roger's company purchased a machine for \$800 May 1, 2015. The machine was sold for \$300 on July 1, 2016. The company charges depreciation at 10% p.a on straight line method.

Solve:

- (a) Find provision for depreciation account if books are closed on March 31 each year.
- (b) Identify machinery account.
- (c) Identify machinery disposal account if books are closed on March 31 each year.
- (d) Evaluate causes and consequences of depreciation.

3. Consider the following data:

Date	Particulars	Amt (\$)
2014		
June 1	Gloria started a business with cash	\$7000
June 2	Deposited in bank	\$4000
June 3	Goods were purchased by cheque	\$2560
June 5	Goods purchased from Rose	\$1990
June 7	Good sold for cash	\$800

Solve:

- (a) Journalise the transactions.
- (b) Post the transactions into the ledger.
- (c) Prepare the trial balance.
- (d) Explain the objectives of verification of ledger accounts.

4. Following are the details of Megan's business:

	Amt (\$)
Balance as per cash book	\$1000
Unpresented cheques	\$1300
Uncredited cheques	\$900

The debit side of cash book has been under cast by \$200. Bank charges of \$200 have not been entered in the cash book and a cheque of \$100 paid to a creditor has been entered by mistake.

Solve:

- (a) Reconcile Megan's cash book with the pass book balance.
- (b) Explain the purpose of bank reconciliation statements

5. Prepare a simple cash book from following transactions:

2017		\$	2017		\$
1/3	John commenced business with cash	\$9000	17/3	Miscellaneous expenses	\$80
3/3	Bought goods for cash, CGST and SGST paid at 6% each.	\$1000	19/3	Received cash from Mason	\$900
4/3	Paid cash to Flora	\$200	22/3	Purchased goods, CGST and SGST paid at 6% each.	\$850
6/3	Deposited in bank	\$7000	22/3	Salary paid	\$890
6/3	Paid for office furniture in cash, CGST and SGST paid at 6% each.	\$800	25/3	Rent paid, CGST and SGST paid at 6% each.	\$200