
BGCSE
ACCOUNTS
EXAMINATION PAPERS
UNDERSTAND • PRACTICE • SUCCEED

THE

OPENHANDED

CLASSROOM

LEARN MORE. ACHIEVE MORE. SMILE MORE.

BGCSE

CLASSES

- Exam-Focused Learning
- Past Papers & Strategies
- Stronger Understanding
- Better Grades, Brighter Future

CLICK HERE

SAT

CLASSES

- Smart Test Strategies
- Stronger Scores
- Time Management Skills
- College & Scholarship Ready

CLICK HERE

BJC

CLASSES

- Clear, Simple Explanations
- Focus on Understanding
- Help That Fits Your Pace
- Build Confidence, Get Results

CLICK HERE

FREE LISTENING COMPREHENSION AUDIO FILES

THE EXACT AUDIO USED IN PAST BJC & BGCSE EXAMS

REAL EXAMS
The exact listening comprehension audio from past papers.

REAL PREPARATION
Hear what you'll hear in the real exam.

REAL RESULTS
Practise with purpose. Improve your confidence and performance.

AVAILABLE FOR:

- BJC ENGLISH
- BGCSE ENGLISH LANGUAGE
- BJC FRENCH
- BJC SPANISH
- BGCSE FRENCH
- BGCSE SPANISH

WHY THESE AUDIO FILES MATTER

EXACT AUDIO
The exact recordings used in past BJC & BGCSE exams.

EXAM FAMILIARITY
Get used to the real voices, speed, accents and exam conditions.

STRATEGIC ADVANTAGE
Walk in confident knowing exactly what to expect.

100% FREE
High quality. No cost. Just results.

CLICK HERE
DOWNLOAD • START PRACTISING

BETTER PREPARATION.
BETTER RESULTS.
You've got this!

School Number	Candidate Number
Surname and Initials	

BOOKKEEPING & ACCOUNTS

PAPER 1 2009/1

Thursday 24 MAY 2018 1:00P.M.–3:00P.M.

Additional materials:
None

MINISTRY OF EDUCATION NATIONAL EXAMINATIONS

BAHAMAS GENERAL CERTIFICATE OF SECONDARY EDUCATION

INSTRUCTIONS TO CANDIDATES

Do not open this booklet until you are told to do so.

Write your School Number, Candidate Number, Surname, and Initials at the top of this booklet.

Answer **ALL** questions; show all working where appropriate.

Calculators are allowed.

ALL answers must be written in **INK** for Section B. Answers written in pencil **will not** be graded.

The number of marks available is shown in brackets [ ] at the end of each question or part question.

FOR EXAMINER'S USE ONLY	
SECTION A – M/C Questions 1 – 30 (30 marks)	
SECTION B – Application Problems (70 marks)	
Question 1	
Question 2	
Question 3	
Question 4	
Question 5	
TOTAL MARKS 100	

This question paper consists of 23 printed pages and 1 blank page.

SECTION A

Multiple Choice
(30 Marks)

DIRECTIONS: Read each question carefully. Choose the **ONE** answer you think is correct. Circle the corresponding letter in the Booklet. There is **ONLY ONE** correct answer. Answer **ALL** questions.

1. John Culmer owns and operates a convenience store. He pays on average $500 for electricity per month. How should this payment be classified in the books of account?

   A. asset

   B. expense

   C. liability

   D. revenue [1]

2. Which of the following is a Fixed Asset?

   A. cash in bank

   B. flatbed truck

   C. insurance (paid one month early)

   D. stock [1]

3. The opening account balance of the fixed asset '*Office Equipment*' always shows the original amount paid for its ownership. Which accounting concept is being applied?

   A. Business Entity

   B. Consistency

   C. Historical Cost

   D. Objectivity [1]

4. Morley makes a cash payment to S. Jones, a supplier. This transaction is recorded in the Cash book and S. Jones' account. Which accounting concept is being applied?

   A. Business Entity

   B. Double Entry

   C. Money Measurement

   D. Realisation of Revenue [1]

5. Why should all ***accrued revenue*** be shown in the final accounts?

   A. This allows the income of a period to be matched against the costs of that period.

   B. This gives a definitive amount owed to the business by trade suppliers.

   C. This prevents the full amount due being transferred to the Profit & Loss account.

   D. This results in the correct total of fixed assets being shown in the balance sheet. [1]

6. When does Troy's Wholesale issue a ***debit note***?

   A. when it receives goods from a supplier

   B. when it receives returns from a customer

   C. when it returns goods to a supplier

   D. when it sends goods to a customer [1]

7. Which book of original entry is also known as a ledger account?

   A. Cash Book

   B. General Journal

   C. Purchases Journal

   D. Sales Journal [1]

8. How is ***working capital*** calculated?

   A. current assets – current liabilities

   B. fixed assets – current liabilities

   C. owner's equity – current liabilities

   D. total assets – current liabilities [1]

9. What information does the Balance Sheet of a business show?

   A. gross profit

   B. cost of sales

   C. total expenses

   D. total equity [1]

10. Which is shown as an ***asset*** in a Balance Sheet?

   A. A credit balance on a supplier's account.

   B. A credit balance on the business' bank account.

   C. A debit balance on a customer's account.

   D. A debit balance on the Drawings account. [1]

11. Which of the following is a ***liability***?

   A. advertisement paid in advance

   B. provision for bad debts

   C. rent paid on first day of the month

   D. unpaid wages [1]

12. What entry should be made when a water bill is paid by cheque for $150 to the Water & Sewerage Corporation?

	ACCOUNT DEBITED	ACCOUNT CREDITED	
A.	Bank	Water Expense	
B.	Bank	Water & Sewerage Corporation	
C.	Water Expense	Bank	
D.	Water & Sewerage Corporation	Bank	[1]

13. Jones buys a second-hand car for his business and pays by cheque. How this should be recorded?

	ACCOUNT DEBITED	ACCOUNT CREDITED	
A.	Automobile	Bank	
B.	Automobile	Cash	
C.	Bank	Automobile	
D.	Cash	Automobile	[1]

14. A motor vehicle purchased on credit was incorrectly debited to the Motor Expenses account. How is this error corrected?

	Account to be debited	Account to be credited
A.	Creditors	Motor Expenses
B.	Motor Expenses	Creditors
C.	Motor Vehicles	Motor Expenses
D.	Motor Expenses	Motor Vehicles

[1]

15. Mr. Hanna, a sole trader, forgot to include an unpaid invoice for repairs to his shop's generator. What is the effect of this omission?

A. fixed assets are overstated

B. fixed assets are understated

C. net profit is overstated

D. net profit is understated [1]

16. Michael Martin paid a supplier for the goods he had purchased. Which term describes this from the viewpoint of the supplier?

A. capital expenditure

B. capital receipts

C. revenue expenditure

D. revenue receipt [1]

17. Mr. North has prepared his Bank Reconciliation Statement beginning with the *Balance as per Bank Statement*. Which item is **deducted** from this balance amount in the Bank Reconciliation Statement?

A. Amounts not yet credited by the bank.

B. Bank charges not recorded in the cash book.

C. Standing Order paid by the bank but not entered in the cash book.

D. Cheques issued to a supplier but not yet presented to the bank for payment. [1]

18. *Peppi Cola* uses the imprest Petty Cash System. If *Peppi Cola* has a float of \$50.00 and spends \$45.50 during the week, what amount needs to be reimbursed?

A. \$4.50

B. \$45.50

C. \$50.00

D. \$54.50 [1]

19. On 1st January 2017, Miller, a local trader, owes Smith $475. During the month of January 2017 the following transactions took place.

Miller bought goods on credit from Smith, $300
Miller returned damaged goods to Smith, $70
Miller paid Smith $600 by cheque

What is the balance brought down on Smith's account in Miller's Ledger on 1st February, 2017?

A. $105 debit

B. $105 credit

C. $775 debit

D. $775 credit [1]

The trainee bookkeeper recorded the following account in the ledger of Mrs. L. Moss. Examine the information given to answer questions 20 and 21.

ACCOUNT TITLE: M. Goodman				ACCOUNT NO.: 18
DATE	DETAILS	Dr. $	Cr. $	BALANCE $
2017 February 1	Balance b/f			350 dr.
4	Sales	400		750 dr.
10	Returns Inwards		150	600 dr.
18	Sales	100		700 dr.
26	Bank		700	0

20. Which of the following describes the entry on February, 1?

A. L. Moss paid M. Goodman $350

B. L. Moss owes M. Goodman $350

C. M. Goodman paid L. Moss $350

D. M. Goodman owes L. Moss $350 [1]

21. Which of the following describes the transaction on February 4?

A. L. Moss bought goods from M. Goodman on credit for $400

B. L. Moss sold goods on credit to M. Goodman for $400

C. L. Moss bought goods from M. Goodman paying cash, $400

D. L. Moss sold goods to M. Goodman for $400 cash [1]

22. Watkins had the following transactions with Bethel during the month of June.

June 7	Goods invoiced to Bethel	$1 200
15	Credit note issued to Bethel	$ 150
24	Goods invoiced to Bethel	$1 800
28	Cheque received from Bethel	$2 000

How much does Bethel owe on June 30?

A. $ 850

B. $1 150

C. $1 200

D. $1 800 [1]

23. Sophie sells goods with a list price of $2 500 on credit to Esther. Sophie offers a 5% cash discount and a 20% trade discount. What amount should be entered in Sophie's Sales Journal?

A. $1 900

B. $2 000

C. $2 375

D. $2 500 [1]

24. Rollins has prepaid rent at the end of the financial year. What effect will this adjustment have on her final accounts?

	Profit & Loss Account		**Balance Sheet**	
	Increased expenses	Decreased expenses	Increased current assets	Increased current liabilities
A.	✓		✓	
B.	✓			✓
C.		✓	✓	
D.		✓		✓

[1]

25. Jones has written off an amount that he considered being a bad debt. Later he received payment for the full amount. How is this recorded in the books?

	DEBIT	**CREDIT**
A.	Bad Debts Account	Profit & Loss Account
B.	Bank Account	Profit & Loss Account
C.	Profit & Loss Account	Bad Debts Account
D.	Profit & Loss Account	Bank Account

[1]

26. The total of the Purchases Journal and Purchases Returns Journal of M & M Stores for the month of October showed the following balances:

DETAILS	$
Purchases Journal	10 000
Purchases Returns Journal	900

How should this information be posted to M & M's ledger?

A. Purchases Account credit $10 000 and Purchases Returns Account debit $900

B. Purchases Account credit $9 100 and Purchases Returns debit $900

C. Purchases Account debit $10 000 and Purchases Returns Account credit $900

D. Purchases Account debit $9 100 and Purchases Returns Account credit $900 [1]

27. Trade Debtors as at 30th June 2017 amounted to $48 400. The opening balance on the Provision for Bad Debts account is $1 800, there is a debt of $1 400 to be written off, and the allowance adjusted to cover 5% of trade debtors as at 30th June 2017. What is the total amount that needs to be written off against the Profit & Loss Account as ***bad debts*** and ***provision for bad debts***?

A. $1 400

B. $1 950

C. $2 420

D. $3 200 [1]

28. If the Provision for Bad Debts account is reduced from $880 to $690, how is this treated in the Profit & Loss account at year end?

A. added to the Gross Profit, $190

B. added to the Gross Profit, $690

C. subtracted from the Gross Profit, $190

D. subtracted from the Gross Profit, $690 [1]

29. The end of the financial year is 31st July. On 1st April 2017, $300 was paid for six months of insurance premiums.

What is the correct entry for Insurance in the Balance Sheet on 31st July 2017?

A. prepayment of $100

B. prepayment of $200

C. accrual of $100

D. accrual of $200 [1]

30. The amount of insurance expense for the year is $2 400, however, $2 600 was actually paid during the year. Which transfer takes place in the books at year end?

	ACCOUNT DEBITED	ACCOUNT CREDITED	
A.	Accrued Insurance $2 600	Profit & Loss $2 600	
B.	Insurance Expense $2 400	Profit & Loss $2 400	
C.	Prepaid Insurance $2 600	Profit & Loss $2 600	
D.	Profit & Loss $2 400	Insurance Expense $2 400	[1]

TOTAL MARKS [30]

SECTION B

Application Questions
(70 Marks)

DIRECTIONS: ALL answers to this section should be written in the space provided or on the correct accounting sheets provided. Marks for each item are shown in the brackets [ ] at the end of the question.

1. (a) State **two** reasons for the use of the Purchases Day Book.

____

____

____

____ [2]

(b) Mr. Charlton, the sole owner of a convenience store, begins trading on 1st June 2017. In keeping a full set of accounting records, his books of original entry show the following transactions for June 2017:

PURCHASES JOURNAL					
DATE		**DETAILS**	**POST REF**	**$**	**$**
2017 June	2	Lloyd Smith			
		Goods		400	
		Trade Discount		60	340
	13	Mark Williams			
		Goods			90
	30	Total for the month			430

PURCHASES RETURNS JOURNAL					
DATE		**DETAILS**	**POST REF**	**$**	**$**
2017 June	7	Lloyd Smith			
		Goods		120	
		Trade Discount		18	102
	30	Total for the month			102

CASH BOOK (credit side)						
DATE		**DETAILS**	**POST REF**	**Disc. $**	**Cash $**	**Bank $**
2017 June	12	Lloyd Smith		8		230
	22	Mark Williams				75
	29	Purchases			180	

REQUIRED:

Write up the accounts of ***Lloyd Smith (#14)*** and ***Mark Williams (#18)*** as they would appear in Charlton's Purchases Ledger for the month of June 2017. Where necessary, balance the account on 30th June 2017 and bring down the balance on 1st July 2017.

PURCHASES LEDGER

[4]

[4]

(c) Write up the Purchases Account and the Purchases Returns Account as they would appear in Charlton's Nominal Ledger at the end of June 2017. Show the transfer of balances to the Profit & Loss Account.

NOMINAL LEDGER

Purchases Account (#3)

[2]

Purchases Returns Account (#8)

[2]

TOTAL MARKS [14]

2. At the end of Rosewell Mackey's financial year on 31st August 2017 his trial balance totals failed to agree. The debit side totalled $87 250 and the credit side totalled $87 054. Rosewell entered the difference in the trial balance to a Suspense Account.

The following errors were later discovered:

i. *A Discount Received, $280, was entered in the Cash Book but not in the Discount Received Account.*

ii. *Rosewell had spent $35 of his personal funds to purchase business stationery. This had not been recorded in the books.*

iii. *$262 received from Andrew Bethel had been entered in his account as $226.*

iv. *No entry had been made for cash discount allowed, $20, to Fredrick, a debtor, for prompt payment.*

v. *The Purchases Returns Journal had been overcast by $120.*

(a) Prepare the Suspense Account in Rosewell Mackey's ledger to show the required entries.

ROSEWELL MACKEY
Suspense Account

____

____

____

____

____

____ [6]

(b) Explain why not all the corrections require an entry in the Suspense Account. Use ***one*** of the errors listed to illustrate your answer.

____

____

____

____ [2]

(c) Below is a chart to illustrate changes to Rosewell's draft net profit. Complete the chart to show the effect of correcting the errors 1 – 5 on Rosewell's ***draft*** Net Profit and calculate his ***corrected*** Net Profit.

If an error does not affect the draft net profit write 'No Effect'.

ROSEWELL MACKEY

Statement of corrected Net Profit for the year ended
31st August 2017

Net Profit before corrections			**$18 500**
	Effect on Net Profit		
Errors:	+ **$**	– **$**	
1			
2			
3			
4			
5			
Subtotals			
Corrected Net Profit			

[6]

TOTAL MARKS [14]

3. (a) The following information was provided for Donald's Store, a sole proprietorship, whose financial year ended 31st December 2017.

On 1st January 2017, owner Rick Donald's Capital Account showed a credit balance of $56 000. On 1st April 2017 Donald had transferred some of his private equipment to the business valued at $3 000 and later in 2017 he withdrew $11 500 to take his family on vacation. The Profit & Loss Account for the year ended 31st December 2017 showed a net loss of $2 400.

Write up Rick Donald's Capital Account as it would appear in the private ledger for the year ended 31st December 2017.

<u>RICK DONALD, CAPITAL ACCOUNT</u>

[6]

(b) Donald has to pay rent, $600 per month, for the building his business occupies. He had a few challenges so was unable to pay all the rent due in May leaving $200 outstanding on 1st June. The landlord increased the rent to $675 per month as of 1st June 2017. On 28th June 2017, Donald paid his landlord $600 in total.

REQUIRED:

Prepare the Rent Account in Donald's ledger for the month of June 2017 showing the amount to be transferred to the Profit & Loss Account for the month and the balance brought down at 1st July 2017.

RICK DONALD – NOMINAL LEDGER

Account Title: ***Rent Account***

[5]

(c) In the case mentioned above, which accounting concept has been applied to Donald's *Rent Account*, and why does that account still have a balance if a transfer was made to the Profit & Loss Account?

[3]

TOTAL MARKS [14]

4. Sadie, a clothes designer, opened her own women's clothing and accessories store on 1st January 2017. She decided to start a delivery service for her clients and so she bought a small van on that date for $21 000 with an expected useful life of 3 years and an estimated scrap value of $3 000. Each year she is required to pay vehicle insurance on the motor van and business licence fees for her business.

REQUIRED:

(a) In the table below, place a tick under the correct heading for each item of expenditure incurred by Sadie.

EXPENDITURE ITEM	CAPITAL EXPENDITURE	REVENUE EXPENDITURE
Purchase of motor van		
Wages for Assistant Seamstress		
Business Licence		
Motor Vehicle Insurance		
Service charge for machine maintenance		
Cost of new sewing machine		
Delivery of shipment to clients		

[7]

(b) Sadie decides to charge depreciation on the van using the ***straight-line method***.

(i) Calculate the depreciation on the Motor Vehicle to be charged on Sadie's accounts for the year ending 31st December 2017.

____

____ [2]

(ii) Show the journal entry required for the depreciation at year end. **Narration is not required.**

DATE		DETAILS	POST REF	Dr. $	Cr. $

[2]

(iii) If, from the outset, Sadie had instead decided to use the reducing balance method with a 20% rate of depreciation, calculate the net book value of the motor van on 31st December 2018.

____

____ [3]

TOTAL MARKS [14]

5. The Trial Balance of Fresh Auto appeared as follows on 31st December 2017:

Fresh Auto ***Trial Balance as at 31st December 2017***					
DATE		**DETAILS**	**POST REF**	**DEBIT $**	**CREDIT $**
		Gross profit			29 950
		Capital			92 850
		Stock at 31st December 2017		4 950	
		Motor Vehicle		50 500	
		Land		65 000	
		Rent		750	
		Wages		1 200	
		Provision for Depreciation Motor Vehicle			20 200
		Debtors		12 750	
		Depreciation Motor Vehicle		5 050	
		Bank		3 900	
		Creditors			1 500
		Provision for bad debts			500
		Drawings		900	
				145 000	145 000

The following additional information is available:

1. Rent Prepaid $250
2. Wages Accrued $800
3. The Provision for Bad Debts account is to be adjusted to 6% of Debtors.

REQUIRED:

(a) Prepare the Profit & Loss Account of Fresh Auto for the year ended 31st December 2017.

[4]

(b) Prepare the Balance Sheet of Fresh Auto as at 31st December 2017.

[10]

TOTAL MARKS [14]

BLANK PAGE

School Number	Candidate Number
Surname and Initials	

BOOKKEEPING & ACCOUNTS

PAPER 2 2009/2

Thursday 31 MAY 2018 9:00 A.M. – 12:00 Noon

Additional materials:
None

MINISTRY OF EDUCATION NATIONAL EXAMINATIONS

BAHAMAS GENERAL CERTIFICATE OF SECONDARY EDUCATION

INSTRUCTIONS TO CANDIDATES

Do not open this booklet until you are told to do so.

Write your School Number, Candidate Number, Surname and Initials at the top of this booklet.

Answer **ALL** questions in **Section A** and **ANY THREE** from **Section B**. Show all working where appropriate.

Calculators are allowed.

ALL answers must be written in **INK**. Answers written in pencil **will not** be graded.

The number of marks available is shown in brackets [ ] at the end of each question or part question.

FOR EXAMINER'S USE ONLY	
SECTION A Question 1	
Question 2	
SECTION B – ANY THREE Question 3	
Question 4	
Question 5	
Question 6	
TOTAL MARKS	

This question paper consists of 19 printed pages and 1 blank page.

SECTION A – Mandatory Questions
(40 marks)

INSTRUCTIONS: You **MUST** answer the **TWO** questions in this section showing your working in the space provided. Marks available for each question or part thereof are indicated at the end in brackets [ ]. All working must be shown and is to be done in **INK** in the spaces provided.

1. Peter and Paul are in partnership. Their Partnership Agreement provides the following:

   Interest on Capital is at a rate of 10% per annum

   Interest is to be charged on drawings at 15% per annum

   Peter is to receive an annual salary of $8 000

   Profits and losses are to be shared in proportion to their capital balance as at 31st December, 2017.

   The following balances appeared in their books on 1st January 2017:

Capital:	Peter	$24 000
	Paul	$20 000
Current:	Peter	$ 1 500 (Cr.)
	Paul	$ 700 (Dr.)

   Paul introduced an additional $16 000 capital on 1st July 2017 and their accounts showed a net profit of $45 000.

   The partners had the following drawings during the year:

Peter	$4 000
Paul	$6 000

YOU ARE REQUIRED TO:

(a) prepare the partners' Profit and Loss Appropriation Account for the year ended 31st December 2017.

[8]

(b) prepare the Partners' Current Account for the year ended 31st December 2017.

[10]

(c) Peter thinks that the partners should reduce the rate of interest charged on their drawings. Explain why interest on drawing is charged and state what effect a reduction in the interest rate would have on Peter's total earnings from the partnership.

____

____

____

____ [2]

TOTAL MARKS [20]

2. The Ring Play Company is a manufacturer of equipment for children's playgrounds established on 1st January 2017.

The following information was extracted from their books at the end of the first financial year.

	$
Sales	160 000
Purchases of raw materials	49 000
Wages: Power Tools Operators	17 200
Office Salaries	25 850
Factory Supervisors	25 000
Factory General Expenses	4 500
Office Expenses	8 200
Factory Fuel and Power	3 800

At 31st December 2017 this additional information was provided.

	$
Fuel and power owing amounted to	90
Direct factory wages accrued amounted to	700
Stocks were valued: Raw Material	2 540
Work In Progress	1 800
Finished Goods	3 900

Factory power tools were valued at $25 200. Tools were purchased for $28 000 on 1st January 2017. There were no other purchases or sales of machinery during the year.

YOU ARE REQUIRED TO:

(a) (i) differentiate between *Variable Costs* and *Fixed Costs*.

[2]

(ii) give **one** specific example of **each** type of cost that may occur for the Ring Play Company.

[2]

(b) prepare the Manufacturing Account of the Ring Play Company for the year ended 31st December 2017.

[11]

(c) prepare the Trading Account of the Ring Play Company for the year ended 31st December 2017.

[5]

TOTAL MARKS [20]

SECTION B – OPTIONAL QUESTIONS
(60 marks)

INSTRUCTIONS: Answer any **THREE** of the four questions in this section. Show all of your working and complete all answers in **INK**. Use the space provided for answers.

3. Grace Convenience Store is a sole trader business that does not keep full accounting records. All purchases and most of the sales are on credit.

	$
Balances on 1st July 2016:	
Debtors	9 000
Creditors	7 200

During the year ended 30th June 2017, Grace recorded the following information:

	$
Receipts from debtors	80 000
Payments to creditors	69 000
Discounts Allowed	3 000
Discounts Received	1 200
Credit Sales	98 000
Credit Purchases	75 000

YOU ARE REQUIRED TO:

(a) calculate Grace's debtors and creditors as at 30th June 2017. Show your working.

(i) calculation of Debtors:

____

____

____

____

____

____

____

________________________________ [5]

(ii) calculation of Creditors:

____

____

____

____

____

____

____

____ [5]

Grace provided the following further information:

	$
Cash sales for the year	8 500
Stock at 1st July 2016	12 000
Stock at 30th June 2017	15 000

(b) Using the relevant information given in **3(a)** and above, prepare Grace's Trading Account.

Grace Convenience Store
Trading Account for the year ended 30th June 2017

____

____

____

____

____

____

____

____

____ [7]

(c) (i) Calculate, to 2 decimal places, Grace's *Rate of Stock Turnover* for the year ended 30th June 2017. Show your workings.

____

____

____

____ [2]

(ii) Suggest **one** way in which Grace could use her *Rate of Stock Turnover* ratio.

____

____

____

____ [1]

TOTAL MARKS [20]

4. Harry & Sons Hardware Store has two departments, Plumbing and Electrical. The owners would like to know the profit or loss of each department for the year ended 31st December 2016.

The following information was available:

At 1st January 2016:		$
Stock	Plumbing	13 000
	Electrical	7 500
For the year ended 31st December 2016:		
Sales	Plumbing	60 000
	Electrical	105 000
Purchases	Plumbing	15 000
	Electrical	27 000
Return Inwards	Plumbing	5 000
	Electrical	10 000
Rent		2 500
Electricity		20 000
General Expenses		8 000
Wages		15 000
At 31st December 2016:		
Stock	Plumbing	3 000
	Electrical	5 500

NOTE:

1. It was discovered that sales made for the Plumbing department, $5 000, have been incorrectly credited to the Electrical department.
2. Rent and Electricity expenses are to be allocated on the basis of floor space while General Expenses and Wages are to be allocated based on turnover. Plumbing occupies 2 200 square feet and Electrical occupies 1 800 square feet.

YOU ARE REQUIRED TO:

(a) prepare a Departmental Trading, Profit & Loss Account for the year ended 31st December 2016.

Harry & Sons Hardware Store Departmental Trading, Profit & Loss Account for the year ended 31st December 2016				
	Plumbing		**Electrical**	
	$	$	$	$

[17]

(b) The owners are giving serious consideration to closing the Plumbing Department. Give your recommendation to the owners concerning this matter supported by **two** reasons.

____

____

____

____

____ [3]

TOTAL MARKS [20]

5. John Charles Wholesale of Nassau sent 100 cases of goods costing $3 500 to Sandra's Dry Goods Store in Cat Island on 1st February 2016. John Charles paid delivery expenses of $100 and shipping insurance of $20. On 1st March 2016 an Account Sales was received from Sandra's Dry Goods Store showing that 80 cases had been sold for $63 each with storage charges of $180 and selling expenses of $100 that had been paid. A commission of 5% was agreed upon by both parties and Sandra's Dry Goods Store settled by bank draft the balance due to John Charles for goods sold.

YOU ARE REQUIRED TO:

(a) give **two** common features of each of the following:

(i) Consignment

____

____

____

____ [2]

(ii) Commission

____

____

____

____ [2]

(b) complete the following table indicating with a tick (✓) in whose books each account would be maintained.

ACCOUNT	Books of the CONSIGNOR	Books of the CONSIGNEE
1. Goods sent on Consignment		
2. Commissions Received		
3. Credit supplier of goods sent on consignment		
4. Consignment Inward Account		
5. Credit customer purchasing consignment goods		

[5]

(c) show the *Account Sales* of John Charles.

[3]

(d) prepare the *Consignment Outwards (to Sandra's Dry Goods Store) Account* in the books of John Charles.

[8]

TOTAL MARKS [20]

6. The Coconut Shells Music Society was formed several years ago with the intent to promote music education around The Bahamas. Currently there are 40 members who each pay an annual subscription of $100.

On 1st May 2015 the Coconut Shells Music Society had the following assets:

	$
Musical instruments (book value)	1 000
Balance at bank	2 500
Subscriptions due from members	800
Rent of premises prepaid	320

The Treasurer provided the following information relating to the year ended 30th April 2016. All receipts were paid into the bank and all payments were made by cheque.

	$	$
Subscriptions received from members:		
for the year ended 30th April 2015	1 200	
for the year ended 30th April 2016	3 200	
for the year ended 30th April 2017	600	5 000
Receipts from concert		2 200
Expenses from concert		1 300
Rent of premises:		
for the year ended 30th April 2016	1 350	
for the year ended 30th April 2017	390	1 740
General expenses		190
Insurance		330
Proceeds of sale of musical instruments		920
Purchase of new musical instruments		3 460

YOU ARE REQUIRED TO:

(a) name the equivalent for a trading business and explain a feature which differentiates the two:

(i) Income and Expenditure Account

____

____

____

____ [2]

(ii) Accumulated Fund

[2]

(b) prepare the Receipts and Payments Account of the Coconut Shells Music Society for the year ended 30th April 2016.

The Coconut Shells Music Society
Receipts and Payments Account for the year ended 30th April 2016

[10]

(c) prepare the *Subscriptions Account* as it would appear in the ledger of the Coconut Shells Music Society for the year ended 30th April 2016.

Show the amount that was transferred to the Income and Expenditure Account.

Subscriptions Account

[6]

TOTAL MARKS [20]

BLANK PAGE