



GOVERNMENT OF SAMOA

STUDENT EDUCATION NUMBER

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Samoa Secondary Leaving Certificate

ACCOUNTING 2023

QUESTION and ANSWER BOOKLET

Time allowed: 3 Hours & 10 minutes

INSTRUCTIONS

1. You have 10 minutes to read **before** you start the exam.
2. Write your **Student Education Number (SEN)** in the space provided on the top right-hand corner of this page.
3. **Answer ALL QUESTIONS.** Write your answers in the spaces provided in this booklet.
4. If you need more paper to write your answers, ask the Supervisor for extra paper. Write your SEN on all extra sheets used and clearly number the questions. Attach the extra sheets to the appropriate places in this booklet.

STRANDS		Pages	Time (min)	Weighting
STRAND 1	CONCEPTUAL BASIS OF ACCOUNTING	2 – 3	25	14
STRAND 2	PROCESSING	4 – 5	14	8
STRAND 3	ACCOUNTING SUBSYSTEMS	6 – 13	76	42
STRAND 4	ACCOUNTING REPORTS	14 – 17	40	22
STRAND 5	ANALYSIS, INTERPRETATION AND DECISION MAKING	18 – 20	25	14
TOTAL			180	100

Check that this booklet contains pages 2 - 21 in the correct order and that none of these pages are blank.

HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

1. *“A list of future lease payments should include all future periods for which lease payments will be made, so that a reader can tell the entire scope for future obligations.”*

Describe the qualitative characteristic of accounting information as explained above.

SL 2

2. *“Accounting and our everyday life is all about how we spend and save money then know how to live accordingly.”*

Give **TWO** examples of the functions of accounting we can apply here.

SL 2

3. Explain what it means by establishing accountability.

SL 3

4. *“Sometimes the owner contributes monies to help assist with the beginning of the business.”*

Explain how Owners Equity is affected by these contributions by the owner.

SL 3

5. *“Accounting concepts are ideas, assumptions and conditions based on which a business entity records its financial transactions and organizes its bookkeeping. It helps interpret and integrate financial transaction into the accounting process.”*

Discuss any **FOUR** accounting concepts that you have learned during the course of this study.

SL 4

For Questions 6 to 8, choose and write the LETTER of the correct answer in the box provided.

6. *“Capital transactions are transactions relating to share capital and reserves, long-term debt capital, or fixed assets of a company, as opposed to revenue transactions.”*

The best example of a Capital transaction is;

- A. Purchasing of stocks.
 B. Selling a delivery van for cash.
 C. Installation of an air conditioning unit.
 D. Commission received.

<input type="checkbox"/>	SL 1

7. *“The accounting cycle is a multistep process used by businesses to create an accurate record of their financial position, as summarized on their financial statements.”*

Identify the correct flow chart of the accounting cycle.

- A. Journals, ledgers, source of funds, financial statements.
 B. Source documents, journals, ledgers, trial balance, financial statements.
 C. Source documents, journals, trial balance, financial statements.
 D. Journals, ledgers, trial balance, revenue statement.

<input type="checkbox"/>	SL 1

8. *“Revenue Transaction is when a transaction arises due to day-to-day business activities and the transaction affects only one accounting period.”*

Which of the following is an example of a Revenue transaction?

- A. Sold a deep freezer for cash.
 B. Sales of Goods and Services.
 C. Purchase of Air Conditioning system.
 D. Purchasing of delivery van on credit.

<input type="checkbox"/>	SL 1

9. Describe the processing methods for reporting accounting data using the manual accounting system.

	SL 2

10. *“An example of a capital transaction would be the purchasing of an air conditioner whereas installing it would be an example of a revenue transaction.”*

Differentiate between Capital and Revenue transactions.

SL 3

For Questions 11 to 18, choose and write the LETTER of the correct answer in the box provided.

11. Prepaid rent expense is a balance day adjustment to;

- A. Debit rent expense and Credit Prepayment.
- B. Debit Prepayment and credit rent expense.
- C. Credit Prepayment and debit rent expense.
- D. Credit Prepayment and debit expenses due.

SL 1

12. *Inventory are purchased for the purpose of reselling. Sometimes, damaged goods from these purchases are returned to the Creditors.*

These types of transactions are then recorded on a;

- A. Invoice.
- B. Receipt.
- C. Credit Note.
- D. Voucher.

SL 1

13. *Any time a transaction in business takes place, it is recorded under its appropriate journal with the assistance of its source documents.*

The details that are common in the source documents are;

- A. Date, particulars, amount, details.
- B. Date, signatures, total, amount.
- C. Date, names, amount, total.
- D. Date, item, names, description.

SL 1

14. When a payment for a merchandise is made or from a credit sales transaction, a proof of payment is written out and issued. This transaction is recorded on an/a;

- A. Invoice.
- B. Receipt.
- C. Credit Note.
- D. Voucher.

SL 1

15. *“Mike works as an accountant at his firm. His duty is to record all accounts receivables transactions. He also conducts vendor payments when there’s a short of staff.”*

One of the internal control principles that is being violated here is;

- A. authorization.
- B. separation of duties.
- C. serialization of documents.
- D. responsibility.

SL 1

16. The process of matching the balances in an entity’s accounting records for a cash account to the corresponding information on a bank statement is defined as:

- A. internal control over cash.
- B. perpetual inventory subsystem.
- C. FIFO valuation method.
- D. bank reconciliation.

SL 1

17. *All stock purchased for the purpose of reselling is recorded on the stock ledger cards for special control. Especially when goods have expiration dates to cut off its usage.*

The best ledger cards valuation method applied here is;

- A. Actual cost method.
- B. Weighted average cost (WAC) method.
- C. First-in First-out (FIFO) method.
- D. Last-in First-out (LIFO) method.

SL 1

18. *Depreciation is an accounting method applied to calculating how much is worthwhile a fixed asset is over its years of usage in a business.*

Name the financial statement where depreciation expense is recorded.

- A. Statement of financial Performance.
- B. Statement of Financial Position.
- C. Trading Account Statement.
- D. Statement of Accounting Policy.

SL 1

19. *When filling out a cheque for payment of expenses, the cheque butt is also filled in as a record of what was written in the cheque book leaf.*

Describe the cheque butts as a source document.

SL 2

20. *“On January 25, 2023, services were performed for Mr. John Adams of Vaitele Fou phone number (685) 23332, for \$2,000.00 on credit. Items details – mowing lawn \$1000.00, landscaping yard \$600.00 and cleaning \$400.00.”*

Record the above transaction on the following invoice.

Invoice	
Date _____	
Bill from: Frankies Lawn services	

Bill to:	

Description of Items	Amount
Total	

SL 2

21. *“A Vehicle was bought at \$20,000 with its Residual value \$5,000 and an estimated life of 10 years.”*

Calculate depreciation expense using the straight-line method.

SL 2

22. *“On June 1, 2023, Frankie’s Company Ltd decided to purchase a new delivery truck for \$150,000.00 SAT from ASCO Motors Samoa Ltd.”*

Prepare journal entries for the purchase of the fixed asset.

Date	Particular	Ref	Debit	Credit

SL 2

23. *“Conducting annual audits, restricting authorized access to payroll data, segregation of duties, and change authorization are processes which also ensure that payroll data are accurate, and employees are paid properly.”*

Describe the procedure of internal control for Payroll subsystem.

SL 2

24. *“An Age of debtors account is one way and tool of calculating how long it takes for debtors to pay up the Owings.”*

Explain the need for internal control over credit sales.

SL 3

25. *“Over the years of using fixed assets in a business operation, its value or worth tends to decrease.”*

Explain the purpose of depreciating asset.

SL 3

26. *“Selling of Goods to Peter Pot for \$200.00 on credit, is a Sales Journal Transaction which occurred on April 1, 2023.”*

Apply the debit and credit rules for processing accounting transactions.

Date	Particular	Ref	Debit	Credit

SL 3

27. *“The three major elements for accounts payable are typically required for execution within the accounts payable process – the purchase order (PO), receiving report (or goods receipt), and vendor invoice.”*

Explain the input elements for the Accounts Payable/Purchases subsystem.

SL 3

28. Sales \$10,000, Capital \$5000, Purchases \$5000, Debtors, \$6000, Cash \$3000, Inventory \$1000.

Prepare trial balance with correct entries.

Misi Store

TRIAL BALANCE as at 30 June, 2023

Debit	\$	Credit	\$
Balance		Balance	

SL 4

29. *“The purpose of the closing entry is to reset the temporary account balances to zero on the general ledger, the record-keeping system for a company’s financial data.”*

Discuss the importance of closing entries to a Company Ltd type of business.

SL 4

30. *“In order for a business to make sure its dealings are safeguarded, they need to put in place strong policies and procedures in order to maintain solid control over its business affairs.”*

Discuss the procedures of internal control.

SL 4

For Questions 31 to 33, choose and write the LETTER of the correct answer in the box provided.

31. *“The purpose of financial statements is to provide information about the results of operations, financial position, and cash flows of an organization.”*

Which states the function of the Revenue Statement?

- A. Efficiency if its management.
- B. Valuable insights into company’s operation.
- C. Performance.
- D. All of the above.

	SL 1

32. Following are the names of some of the community organizations in Samoa **EXCEPT** one.

- A. Samoa Victim Support.
- B. FEMA-Federal Emergency Management Agency.
- C. Samoa Cancer Society.
- D. Samoa Red Cross Society.

	SL 1

33. The following are limitations of a Statement of Financial Performance **EXCEPT** one.

- A. Uses of estimates and cost basis.
- B. Diversification.
- C. Lacking data.
- D. Net profit calculation.

	SL 1

34. *“Community Organization includes Community work, community projects, community development, community empowerment, community mobilization.”*

List the nature and features of community organizations.

SL 2

35. *“The Statement of Changes in Cash Position is sometimes called the Cash Flow Statement, which shows a company’s net cash flow in a given period of time.”*

Describe how you would calculate for the Net Cash for the period.

SL 2

36. What is the difference between the functions of the Statement of Financial Position and the Cash Flow Statement?

SL 2

37. Compare the nature (features) of the Samoa Cancer Society to the community.

SL 3

38. *“Inaccuracies of information due to intentional manipulation of figures, is a limitation of the Statement of Financial Position.”*

Explain how this limitation could have been avoided.

SL 3

39. Compare the features of Samoa Victim Support and the Fatuoaga Community Organizations.

SL 3

40. Classify the following example of accounts of the Statement of Financial Position (Balance Sheet) into their classification of assets, current and non-current (fixed assets, investments, intangible assets)

CASH, INVENTORY, DEBTORS, DELIVERY VAN, LAND, SHARES, GOODWILL

CLASSIFICATION	EXAMPLES
Current Assets	
Fixed Assets	
Investments	
Intangible Assets	

SL 4

Below is a Balance Sheet Extract to answer Questions 41 to 45.

Balance Sheet Extract			
Assets		Liabilities	
Cash	\$9,500	Accounts Payable to Supplier	\$21,750
Equipment	5,000	Credit Card Balance	5,250
Inventory	15,000	Long-Term Debt	0
Accounts Receivable	20,000	Total Liabilities	\$27,000
Total Assets	\$49,500	Owner's Equity	\$22,500
Total	\$49,500	Total	\$49,500

41. Formula = Current Assets – Current Liabilities

Calculate the working Capital amount.

SL 2

42. Formula = CA/CL. Calculate the Current Ratio.

SL 2

43. Explain the relationships between the ratios and percentages for businesses over a period. Would the business be able to pay back its ownings? How?

SL 3

44. Comment on the entity's management of its cash resources.

SL 3

45. Discuss the results of ratios and percentages for this business over a period of time, and comment on its performance in the future.

SL 4

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SSLC ACCOUNTING

2023

(For Scorer only)

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