



**EDUCATIONAL QUALITY AND  
ASSESSMENT PROGRAMME**

# ***Scoring Schedule 2018***

**South Pacific  
Form  
Seven  
Certificate**



© Educational Quality and Assessment Programme, 2018  
3 Luke Street, Nabua, Private Mail Bag, Suva, Fiji.  
Telephone: (679) 3370233 Fax: (679) 3370021

All rights reserved. No part of this publication may be reproduced by any means without the prior permission of the Educational Quality and Assessment Programme

Q #	LO #	Skill Level	Evidence	Student Response Level			
STRAND 1			CONCEPT BASIS ACCOUNTING	1	2	3	4
1.1a	Acc1.1.1.	1	<ul style="list-style-type: none"> <li>• Assist with corporate strategy</li> <li>• Provide advice and help businesses to reduce costs</li> <li>• Improve their top line and mitigate risks.</li> <li>• As board directors, professional accountants in business represent the interest of the owners of the company (i.e., shareholders in a public company). Their roles ordinarily include: governing the organization (such as, approving annual budgets and accounting to the stakeholders for the company's performance); appointing the chief executive; and determining management's compensation.</li> <li>• As chief financial officers, professional accountants have oversight over all matters relating to the company's financial health. This includes creating and driving the strategic direction of the business to analyzing, creating and communicating financial information.</li> <li>• As internal auditors, professional accountants provide independent assurance to</li> </ul>	Only <b>one</b> answer from the list given.			

			<p>management that the organization’s risk management, governance and internal control processes are operating effectively. They also offer advice on areas for enhancements.</p> <ul style="list-style-type: none"> <li>• In the public sector, professional accountants in government shape fiscal policies that had far-reaching impacts on the lives of many.</li> <li>• Accountants in academia are tasked with the important role of imparting the knowledge, skills and ethical underpinnings of the profession to the next generation.</li> </ul>				
1.1b	Acc1.1.1.5	1	<p>The objective of General Purpose Financial Report are to provide information to assist the users in:</p> <ul style="list-style-type: none"> <li>• assessing the reporting entity’s financial performance, financial position and cash flows</li> <li>• assessing the reporting entity’s compliance with legislation, regulations, common law and contractual arrangements, as these relate to the assessment of the reporting entity’s financial performance, financial position and cash flows.</li> <li>• making decisions about providing resources to, or doing business with, the reporting</li> </ul>	Only <b>one</b> answer from the list given.			

			entity.				
1.1c	Acc1.1.2.4	2	<p>The framework details:</p> <ul style="list-style-type: none"> <li>• the objectives of general purpose financing reporting</li> <li>• the qualitative characteristics that determine the usefulness of information in financial reports</li> <li>• the assumptions underlying the preparation of financial reports</li> <li>• influences on the preparation of financial reports</li> <li>• the definition of the elements from which financial reports are constructed</li> <li>• the relationship and measurement of the elements.</li> </ul>	Only identify a scope correctly from the given list.	Identify and describe.		
1.1d	Acc1.2.1.1	1	The business entity assumes that the financial activities of the owner are treated as separate from the financial activities of the business. This concept requires that the financial activities are recorded from the business's point of view and treat the owners as external parties.	Defining the term 'business entity' correctly.			
1.1e	Acc1.2.1.10	1	Relevance, reliability, understandability, comparability, timeliness, neutrality, verifiability and objectivity.	Identify any of the quality in the list given.			

1.1f	Acc1.2.1.8	1	This concept states that all transactions in a business must be recorded in money terms using the legal tender (e.g dollars and coins) of the society.	Defining the term 'money measurement' correctly.			
1.1g	Acc1.2.1.11	1	Liability is a claim against the assets, or legal obligations of a person or organisation, arising out of past or current transactions or actions.	Defining the term of 'liability' correctly.			
1.1h	Acc1.2.1.7	1	It means that a company is able to pay its obligations when they come due.  <b>or</b>  That a company is able to continue in business.	Defining the term of 'solvency' correctly.			
1.1i	Acc1.2.2.9	2	<ul style="list-style-type: none"> <li>• Agreement – The partnership arises out of an agreement between two or more people.</li> <li>• Profit sharing – There should be an agreement among the partners to share the profit of the business.</li> <li>• Lawful business – The business to be carried on by a partnership must always lawful.</li> <li>• Membership – There must be at least two persons to form a partnership. The maximum number is 25 but in case of banking business the maximum is 10 members.</li> <li>• Unlimited Liability – The liability of every partner is unlimited, joint and several.</li> </ul>	Identifying or stating the feature only.	Stating and describing the feature correctly.		

			<ul style="list-style-type: none"> <li>Principal-agent relationship – Every partner is an agent of the firm. He can act on behalf of the firm. He is responsible for his own acts and also for the acts done on behalf of the other partners.</li> <li>Collective management – The firm and the partners are one. When a contract is made in the name of the firm all the partners are responsible for it individually and collectively.</li> <li>No-transferrable of shares – A partner cannot transfer his share of interest to others without the consent of the other partners.</li> </ul>				
1.1j	Acc1.2.2.27	2	<ul style="list-style-type: none"> <li>Decide on a business name.</li> <li>Register your LLC name.</li> <li>Create and sign all LLC Operating Agreement.</li> <li>Write your LLC's Articles of Association and Memorandum of Association.</li> <li>Obtain business licenses and permits for your LLC from the Central government or local government.</li> </ul>	Less than three points from the list in the procedures described.	At least three points from the list in the procedures described.		
1.1k	Acc1.2.2.34	2	<ul style="list-style-type: none"> <li>Qualification of workers</li> <li>Location of the business</li> <li>Loyalty, commitment and love of the employees</li> <li>Business reputation</li> <li>Corporate mission</li> </ul>	One correct item given.	At least two correct items listed.		

STRAND 2			FINANCIAL INFORMATION FOR PARTNERSHIP AND COMPANIES				
2.1a	Acc2.1.1.1	1	<ul style="list-style-type: none"> <li>• Share Certificate</li> <li>• Prospectus</li> <li>• Business licenses and permits</li> </ul>	One document identified.			
2.1b	Acc2.2.1.1	1	<ul style="list-style-type: none"> <li>• Share Certificate</li> <li>• Prospectus</li> <li>• Business licenses and permits</li> <li>• AOA</li> <li>• MOA</li> </ul>	One document identified.			
2.1c	Acc2.1.2.2	2	In this case the partners agreed to form a partnership by bringing in only cash and no other assets. Their cash contribution is recorded in the Cash Receipts Journal with the entries as capital. The cash is the owner's contribution to the business.	Formed by bringing in cash.	Formed by bringing in cash, how it is recorded and treated in the business.		
21.d	Acc2.1.2.2	2	A partnership formed by goodwill is when two partners agree to enter into a partnership where a partner contributes cash and the other one contributes an existing business at an agreed capital value. It can also happen when both partners contribute their existing business with agreed capital value.	When forming a partnership partners bring in their cash, other assets or existing business with no mention of agreed value.	When forming a partnership partners bring in their cash, other assets or existing business with their agreed value of capital.		

2.1e	Acc2.1.4.1	4																																																													
			<b><u>Max T and Peter K</u></b> <b><u>General Journal</u></b>	1 – 3 entries correct	4 – 6 entries correct	7 -9 entries correct	10 – 11 entries correct																																																								
			<table border="1"> <thead> <tr> <th>Date</th> <th></th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Cash at bank</td> <td>2 000</td> <td></td> </tr> <tr> <td>June 1</td> <td>Inventories</td> <td>1 000</td> <td></td> </tr> <tr> <td></td> <td>Building</td> <td>20 000</td> <td></td> </tr> <tr> <td></td> <td>    Accounts Payable</td> <td></td> <td>500</td> </tr> <tr> <td></td> <td>    Capital – Max T</td> <td></td> <td>22 500</td> </tr> <tr> <td></td> <td><i>Assets and liabilities contributed by Max T</i></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Accounts Receivables</td> <td>850</td> <td></td> </tr> <tr> <td></td> <td>Furniture</td> <td>2 000</td> <td></td> </tr> <tr> <td></td> <td>Land</td> <td>10 000</td> <td></td> </tr> <tr> <td></td> <td>Prov. For doubtful debts</td> <td></td> <td>50</td> </tr> <tr> <td></td> <td>Cash at bank</td> <td></td> <td>1 000</td> </tr> <tr> <td></td> <td>Capital – Peter K</td> <td></td> <td>11 000</td> </tr> <tr> <td></td> <td><i>Assets and liabilities contributed by Peter K</i></td> <td></td> <td></td> </tr> </tbody> </table>	Date		\$	\$	2017	Cash at bank	2 000		June 1	Inventories	1 000			Building	20 000			Accounts Payable		500		Capital – Max T		22 500		<i>Assets and liabilities contributed by Max T</i>				Accounts Receivables	850			Furniture	2 000			Land	10 000			Prov. For doubtful debts		50		Cash at bank		1 000		Capital – Peter K		11 000		<i>Assets and liabilities contributed by Peter K</i>						
Date		\$	\$																																																												
2017	Cash at bank	2 000																																																													
June 1	Inventories	1 000																																																													
	Building	20 000																																																													
	Accounts Payable		500																																																												
	Capital – Max T		22 500																																																												
	<i>Assets and liabilities contributed by Max T</i>																																																														
	Accounts Receivables	850																																																													
	Furniture	2 000																																																													
	Land	10 000																																																													
	Prov. For doubtful debts		50																																																												
	Cash at bank		1 000																																																												
	Capital – Peter K		11 000																																																												
	<i>Assets and liabilities contributed by Peter K</i>																																																														
<b>STRAND 3</b>			<b>FINANCIAL INFORMATION FOR A MANUFACTURING JOB COSTING SUB-SYSTEM</b>																																																												
3.1a	Acc3.1.1.1	1	A <b>cost object</b> is a financial term used in cost accounting to indicate something to which costs are assigned. For instance, a product produced by a company is the cost object for direct materials, direct labour and manufacturing overhead.	Correct definition of cost object.																																																											



3.1b	Acc3.1.1.2	1	<ul style="list-style-type: none"> <li>• Depreciation of machines used in manufacturing goods</li> <li>• Repairs and maintenance of machines</li> <li>• Electricity</li> <li>• Salaries, wages and fringe benefits of indirect manufacturing personnel such as production supervisors, material handlers, quality assurance, and factory personnel.</li> </ul>	Any indirect cost correctly identified.			
3.1c	Acc3.1.1.2	1	Direct materials (depend on the type of business)	Any correct direct material named.			
3.1d	Acc3.2.1.1	1	Job order costing or job costing is a system for assigning manufacturing costs to an individual product or batches of products. Generally, the job order costing system is used only when the products manufactured are sufficiently different from each other.	Correct definition.			
3.1e	Acc3.1.2.4	1	<p>For <b>small</b> amount, the most common accounting treatment is to simply close out the under-applied amount to the cost of goods sold account. To make this entry, credit the manufacturing overhead account for the amount of under-applied overhead. You will then debit the cost of goods sold account for the same amount.</p> <p>For <b>larger</b> amounts, you may want to apply the</p>	<p>Close out to COGS and Manufacturing Overhead (small amount)</p> <p>Or</p> <p>Close out to COGS and Work in Progress.</p>	<p>Close out to COGS and Manufacturing Overhead (small amount) with the correct entries mentioned.</p> <p>Or</p> <p>Close out to COGS and Work in Progress with the correct entries mentioned.</p>		

			allocation method. The idea behind the allocation method is that the inventory that the overhead should have been applied to has not all been sold, so moving all its overhead into the cost of goods sold account artificially inflates the expenses account. As such, overhead costs are allocated to the cost of goods sold account and the work in progress inventory account, based upon their relative balances.				
3.1f	Acc3.2.2.6	1	<ul style="list-style-type: none"> <li>• <b>Direct Materials</b> – When direct materials are put into production, a journal entry is made to record the addition of materials to work-in-process inventory. When direct materials are requisitioned, they are generally charged to a department Factory Overhead Account control.</li> <li>• <b>Labour</b> – At periodic intervals, time cards are summarised to record the payroll, and labour job tickets are summarised to be charged to work-in-process inventory or factory control.</li> <li>• <b>Overhead</b> – The distribution of factory overhead to job is based on a predetermined factory overhead application rate. Factory overhead rate are expressed in terms of direct labour hours, direct labour dollar, direct material dollar or machine hours.</li> </ul>	Identify one future correctly.	The correct feature with the correct description about it.		

3.1g	Acc3.2.2.7	2	<ul style="list-style-type: none"> <li>• <b>Job Cost Card/Sheet</b> – is initially prepared when a specific job is ordered by a consumer, a Job Cost Card will be allocated for each specific job. The purpose of this card is to record the direct materials used and time spent on the job. When the job is completed, the Job Cost Card are processed to complete the dollar value of materials used, direct labour and applied overheads, giving the total cost of that particular job.</li> <li>• <b>Purchase Order</b> – The stores staff would use re-order points for raw materials inventory to notify the purchasing officer that raw materials need to be ordered. The purchase order would be written by staff members in other departments and would be authorised by an appropriate manager. The manager’s authorisation of the order ensures that only goods required by the business will be ordered.</li> <li>• <b>Packing Slips</b> – packing slip from suppliers would be received by the store department when raw materials are received. The quantity of goods received would be checked against the quantity of goods written on the packing slip. The packing</li> </ul>	One correct internal control identified.	One correct internal control identified and described.		
------	------------	---	--	--	--	--	--

			<p>slip would then be used to update the raw materials inventory records, before being sent to the office.</p> <ul style="list-style-type: none"> <li> <b>Materials Requisition Form</b> – When the production team requires raw materials to start or continue the production of a particular job, they complete a Material Requisition Form. This form instructs the Stores Department to issue the required raw materials to the production staff. The form would be signed by a production supervisor, authorising the request of the materials. The Materials Requisition Form or Store Issue Slip would be used to update the Raw Materials Inventory records.         </li> </ul> <p><b>Time Sheet</b> – The time sheet would be used by staff to record their hours of work. It would be also used to identify which specific job than an individual staff worked on each day. The cost of these hours will be transferred to a Job Card/Sheet.</p>				
3.1h	Acc3.1.2.1	2	<p>Cost allocation (also called cost assignment) is the process of finding cost of different cost objects such as a project, a department, a branch, a customer, etc. It involves identifying the cost object, identifying and accumulating the costs that are incurred and assigning them</p>	Defining only.	Describing.		

			to the cost object on some reasonable basis.  Cost allocation is important because it is the process through which costs incurred in producing a certain product or rendering a certain service is calculated. If cost is not accurately calculated, a business might never know which products are making money and which ones are losing money. If costs are misallocated, a business may be changing wrong price to its customers and/or it might be wasting resources on products that are wrongly categorized as profitable.				
3.1i	Acc3.1.3.2	3					
<b>Raw Materials – Flour</b>				1 – 3 correct entries	4 -6 correct entries	6 -7 correct entries	
<b>Date</b>	<b>Particulars</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>	<b>Dr/Cr</b>		
Aug 7	Balance			1 870	Dr		
	Accounts Payable	3 000		4 870	Dr		
Aug 11	Work in Progress		1 390	3 480	Dr		
	Factory Overhead		30	3 450	Dr		
<b>STRAND 4</b>			<b>REPORTING OF FINANCIAL INFORMATION</b>				
4.1a	Acc4.1.2.1	2	A statement of financial performance contributes to the objectives of general financial reporting by disclosing the net surplus/deficit, and the components of the net surplus/deficit	Defining the statement only.	Stating the purpose correctly.		

			<p>arising from activities or events during the given period that re significant for the assessment of both past and future financial performance.</p>													
4.1b	Acc4.1.2.2	2	<p>The Profit Distribution account is used to distribute the profit or loss. The usual items included in this account are:</p> <ul style="list-style-type: none"> <li>• Net profit(cr) or Net loss(dr) transferred from the Profit and Loss account</li> <li>• Interest allowed on fixed capital(dr)</li> <li>• Interest charged on partner’s drawings (cr)</li> <li>• Partners’ salaries for non-working partners (cr)</li> </ul> <p>After enteirng the accounts above the profit and loss to be distributed to the partners are then calculated according to the ratios and debited(profit) or credited (loss). The profit/loss distributed to each partner is then transferred to the partners’ Current accounts.</p>	Part of the process.	Complete process.											
4.1c	Acc4.1.3.22	3	<p style="text-align: center;"><b>General Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">\$</th> <th style="width: 15%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Provision for doubtful debts</td> <td style="text-align: center;">84.50</td> <td></td> </tr> <tr> <td>Doubtful Debts</td> <td></td> <td style="text-align: center;">84.50</td> </tr> </tbody> </table>		\$	\$	Provision for doubtful debts	84.50		Doubtful Debts		84.50	One word entry <b>or</b> amount correct.	Correct word entries with wrong amount <b>or</b> correct amount with wrong word entries	Both word entries and amounts are correct.	
	\$	\$														
Provision for doubtful debts	84.50															
Doubtful Debts		84.50														

4.1d	Acc4.1.3.26	3	<p style="text-align: center;"><b>General Journal</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Depreciation on building</td> <td style="text-align: center;">578</td> <td></td> </tr> <tr> <td>Provision for depreciation on building</td> <td></td> <td style="text-align: center;">578</td> </tr> </tbody> </table>		\$	\$	Depreciation on building	578		Provision for depreciation on building		578	One word entry <b>or</b> amount correct.	Correct word entries with wrong amount <b>or</b> correct amount with wrong word entries	Both word entries and amounts are correct.	
	\$	\$														
Depreciation on building	578															
Provision for depreciation on building		578														
<b>STRAND 5</b>			<b>EVALUATION OF A COMPANY'S FINANCIAL INFORMATION</b>													
5.1a	Acc5.1.1.11	1	<p>Management effectiveness depends on an organisation's management model. One way to look at management effectiveness is this; it's the combined effect of a manager who uses different management tools and techniques. Some include communication technologies, data, knowledge, action, performance feedback, boundary spanning, change and innovation. In this model, a manager brings all his actions together, providing different kinds of assistance to employees, such as helping them adjust to change and come up with new ideas that lead to innovation.</p>	Correct definition.												
5.1b	Acc5.3.4.3	4	<p>Both the Gross Profit and Net Profit ratios decreased from 2016 to 2017. The Gross Profit Ratio decreases from 25% to</p>	Identifying the effect on any profitability ratio.	Describing the effect on the profitability ratio	Describing the effect on the profitability ratio	Describing the effect on the profitability ratio in									

		<p>23.5%. The figures indicate that in 2016 the gross profit made per \$1 of sale was 25 cents and decreased to 23.5 cents in 2017. The amount may be too low not allowing the business to cover all its expenses. It can indicate a decrease in the sale of goods which is the major source of earnings for a business. Any opportunity should be taken to increase this ratio through: an increase in sales, with the less than proportional increase in cost of goods sold and a decrease in cost of goods sold, with a less than proportional decrease in sales.</p> <p>The Net Profit Ration decrease by 6.4% in 2016 to 4.4% in 2017. It shows how much of each dollar of sales represents net profit. It clearly indicates the opportunity to make high profit. The figures shown are too low which indicates the need for investigation of such factors as: expenses control method, pricing practice and selling techniques. As with the Gross Profit Ratio, however, the ratios itself is often not as important as trends or inter business comparisons. Nor should it be forgotten that the end result depends on the actual amount of sales made.</p>		in general.	in general and the reason for the change.	gene, the reason for the change and recommendation for improvement
--	--	--	--	-------------	---	--



5.1c	Acc5.1.3.11	3					
<p>Quick Asset Ratio = <math>\frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liabilities} - \text{Bank OD Secured}} \times \frac{100}{1}</math></p> <p>= <math>\frac{45\,000 - 25\,000}{30\,000 - 5\,000} \times \frac{100}{1}</math></p> <p>= <math>\frac{20\,000}{25\,000} \times \frac{100}{1}</math></p> <p>= <b><u>0.8 : 1</u></b></p>				Correct formula only	Correct formula with a least two correct amounts	Formula and all amounts correct.	
5.1d	Acc5.1.2.1	2	<ol style="list-style-type: none"> <li>1. Establish objectives</li> <li>2. Collect data</li> <li>3. Process the data</li> <li>4. Conduct analysis</li> <li>5. Develop recommendation</li> <li>6. Follow up</li> </ol>	Incomplete outline	Complete outline		
<b>STRAND 6</b>			<b>INFORMATION FOR MANAGEMENT DECISION MAKING</b>				
6.1a	Acc6.2.1.1	1	Assist the management of a firm to plan future development in terms of strategic and routine decision.	Correct purpose			

6.1b	Acc6.2.1.2	1	A cash budget is a plan of expected cash receipts and disbursements during the period. These cash inflows and outflows include revenues collected, expenses paid, and loans receipts and payments. In other words, a cash budget is an estimated projection of the company's cash position in the future.	Correct definition			
6.1c	Acc6.1.2.1	2	The entity conducts its business in the context of industry, regulatory, and other internal and external factors. To respond to these factors, the entity's management or those charged with governance define objectives, which are the overall plans for the entity. Strategies are the operational approaches by which management intends to achieve its objectives. Business risks result from significant conditions, events, circumstances, actions, or inactions that could adversely affect the entity's ability to achieve its objectives and execute its strategies, or through the setting of inappropriate objectives and strategies. Just as the external environment changes, the conduct of the entity's business is also dynamic and the entity's strategies and objectives change over time	Action but not clearly described	Action fully described		
6.1d	Acc6.1.1.1	1	Strategic decision.	Correct answer			

6.1e	Acc6.1.3.2	3	It is a strategic decision because the equipment will last more than one financial year, so will have a major impact on several financial years for Maxjon Enterprises; it would be a decision made by the Board of Directors or Chief Executive Officer of Maxjon Enterprises, and not a routine decision for the day-to-day running of the business.	Defining either term	Defining both terms.	Differentiating the two terms.	
6.1f	Acc6.1.1.6	1	<ul style="list-style-type: none"> <li>• Capabilities of the new equipment</li> <li>• What quantity can it produce</li> <li>• Will the equipment fit inside the existing factory</li> </ul>	One correct non-financial information			
6.1g	Acc6.1.1.4	1	For the new equipment to be capable of producing the required number of axes in order to achieve the business aim of increasing the number of axe from 2000 to 2800 per month.	Stating the objective correctly			