



EDUCATIONAL QUALITY AND ASSESSMENT PROGRAMME



Scoring *Rubric2* *2020*

**South Pacific
Form
Seven
Certificate**

2020 SPFSC Accounting

Item	Skill Level	Evidence	Level 1 (Unistructural)	Level 2 (Multistructural)	Level 3 (Relational)	Level 4 (Extended Abstract)
1.1	1	To meet the information needs of a wide range of users	Meet the needs of the users (can specify any user apart from investors because it is already mentioned).			
1.2a	2	Relevance is the concept that the information generated by an accounting system should impact the decision-making of someone perusing the information. Components of relevance- feedback value, predictive value, and timeliness.	Defining relevance only.	Describing the any component correctly.		
1.2b	2	The reliability principle is one of the important accounting principles, and is used as a means to ensure that the accounting statements and records of a business produce the most accurate information available. Components of reliability are that the information is complete, neutral and free from errors. It means representational faithfulness	Defining relevance only.	Describing the any component correctly.		
1.2c	1	Timeliness	-Timeliness			
1.2d	1	-Current Cost Accounting	Current Cost Accounting			
1.2e	1	-Accounting period/Periodicity Concept	Accounting Period			
1.2f	1	-Historical cost/original cost	Any of the terms			
1.2g	1	-Conservatism Principle/ Prudence Concept	-Conservatism or Prudence			

2.1a	3	<table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Debit (\$)</th> <th>Credit (\$)</th> </tr> </thead> <tbody> <tr> <td>31/12/19</td> <td>Inventory</td> <td>4 000</td> <td></td> </tr> <tr> <td></td> <td>Accounts Receivable</td> <td>2 500</td> <td></td> </tr> <tr> <td></td> <td>Furniture</td> <td>9 000</td> <td></td> </tr> <tr> <td></td> <td>Motor Vehicle</td> <td>30 000</td> <td></td> </tr> <tr> <td></td> <td>Bank Overdraft</td> <td></td> <td>4 000</td> </tr> <tr> <td></td> <td>Creditors</td> <td></td> <td>5 000</td> </tr> <tr> <td></td> <td>Provision for doubtful debt</td> <td></td> <td>500</td> </tr> <tr> <td></td> <td>Capital-Ken</td> <td></td> <td>36 000</td> </tr> <tr> <td></td> <td>(to record the contribution of assets and liabilities)</td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	Debit (\$)	Credit (\$)	31/12/19	Inventory	4 000			Accounts Receivable	2 500			Furniture	9 000			Motor Vehicle	30 000			Bank Overdraft		4 000		Creditors		5 000		Provision for doubtful debt		500		Capital-Ken		36 000		(to record the contribution of assets and liabilities)			1-3 entries correct with amounts	4- 7 entries correct with amounts	All 8 entries correct with corresponding amounts	
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2.1b	3	<p>-The revaluation of accounts receivable and inventories is an action that may be required to accurately describe the true value of the assets brought in by an incoming partner with an existing business.</p> <p>- The purpose of a revaluation is to bring into the books the fair market value of the assets.</p>	Defining revaluation correctly without the purpose.	Describing the revaluation process of assets.	Explaining the purpose of revaluation of assets like accounts receivable and inventories.																																									

2.1c	3	<table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="5">Peter and Ken</td> </tr> <tr> <td colspan="5">Statement of Financial Position as at 1st January 2020</td> </tr> <tr> <td>Assets</td> <td>\$</td> <td>Liabilities</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Cash at Bank</td> <td>31 000</td> <td>Creditors</td> <td></td> <td>5 000</td> </tr> <tr> <td>Accounts Receivable</td> <td>2 000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventories</td> <td>4 000</td> <td>Owner's Equity</td> <td></td> <td></td> </tr> <tr> <td>Furniture</td> <td>9 000</td> <td>Capital-Peter</td> <td>35 000</td> <td></td> </tr> <tr> <td>Motor Vehicle</td> <td>30 000</td> <td>Capital-Ken</td> <td>36 000</td> <td>71 000</td> </tr> <tr> <td></td> <td>76 000</td> <td></td> <td></td> <td>76 000</td> </tr> </table>	Peter and Ken					Statement of Financial Position as at 1st January 2020					Assets	\$	Liabilities	\$	\$	Cash at Bank	31 000	Creditors		5 000	Accounts Receivable	2 000				Inventories	4 000	Owner's Equity			Furniture	9 000	Capital-Peter	35 000		Motor Vehicle	30 000	Capital-Ken	36 000	71 000		76 000			76 000	1-3 correct accounts with amounts	4-7 correct accounts with amounts	All 8 correct accounts with amounts	
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2.1d	2	-Profit & Loss Appropriation Account/Profit Distribution Account, Capital Account, Statement of Financial Performance and Statement of Financial Position.	Only one correct account identified	Correct identification of the 2 accounts																																															
2.1e	1	- The purpose of the current account is to record any periodic changes to the partners' capital accounts. It is only prepared when the partners decide to keep their capital account fixed.	The purpose of the current account stated																																																
2.1f	3	<table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="4">Current Account-Anna</td> </tr> <tr> <td>Balance</td> <td>1 500</td> <td>Salary</td> <td>15 000</td> </tr> <tr> <td>Interest on current a/c</td> <td>75</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td>1 500</td> <td></td> <td></td> </tr> <tr> <td>Interest on Drawings</td> <td>150</td> <td></td> <td></td> </tr> <tr> <td>Balance</td> <td>21 775</td> <td>Profit</td> <td>10 000</td> </tr> <tr> <td></td> <td>\$25 000</td> <td></td> <td>\$25 000</td> </tr> </table>	Current Account-Anna				Balance	1 500	Salary	15 000	Interest on current a/c	75			Drawings	1 500			Interest on Drawings	150			Balance	21 775	Profit	10 000		\$25 000		\$25 000	1-3 entries correct with corresponding amounts	4-6 entries correct with corresponding amounts	All 7 entries correct with corresponding amounts																		
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2.2a	2	<p>(1) Limited Liability Ordinary shareholders have limited liability, in other words, their liability is limited to those shares. They cannot be forced to pay anything out of their own money in the event of bankruptcy. They are fully protected against any financial obligations incurred by the organizations.</p> <p>(2) Liquidation Rights If a company goes bankrupt and liquidates all its assets, the ordinary shareholders have the right to receive their share of sale proceeds. However they are the last to receive money after the creditors, bondholders and preference shareholders are paid.</p> <p>(3) Preemptive Rights If a company plans to issue new shares, existing shareholders have the rights to subscribe to new shares, often at lower prices, before they are issued to the public.</p> <p>(4) Voting Rights Ordinary shareholders have the rights to vote in general meeting of the company. Each share carries the right to one vote. Shareholders can exercise control by electing the board members, who will oversee the major decisions and policies implemented by the management.</p> <p>(5) Dividend Payments Ordinary shareholders are entitled to a share of the profits in the form of dividend. However the amount of dividend payments is not based on a fixed percentage rate, it is recommended and decided by the board of directors.</p>	Stating any correct feature without describing.	Correctly describing one of the listed features.		
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2.2b	3	<p align="center">New Adventures Ltd: Statement of Financial Position as at July 30, 2020</p> <table border="1"> <thead> <tr> <th>Shareholders' Equity</th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td></td> <td></td> </tr> <tr> <td>700 000 shares called to \$1</td> <td></td> <td>700 000</td> </tr> <tr> <td>Less calls in arrears</td> <td></td> <td></td> </tr> <tr> <td>10 000 shares at 10c</td> <td></td> <td>1 000</td> </tr> <tr> <td></td> <td></td> <td>699 000</td> </tr> <tr> <td>Current Assets</td> <td></td> <td></td> </tr> <tr> <td>Cash at Bank</td> <td></td> <td>699 000</td> </tr> </tbody> </table>	Shareholders' Equity	\$	\$	Share Capital			700 000 shares called to \$1		700 000	Less calls in arrears			10 000 shares at 10c		1 000			699 000	Current Assets			Cash at Bank		699 000	1 entry correct	2 entries correct	3 entries correct	
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3.2	4	<p>Weaknesses -Security holds the key and actions the requests (Multiple roles)</p> <p>Recommendation -The release of materials needs to be recorded and approval must be given before any release by someone other than the security -Separation of duties</p> <p>Weaknesses No process followed in terms of authorization (Documentation & Approval)</p> <p>Recommendation -A request must be approved by a supervisor before it is sent to the warehouse for release. -Another officer should be present with the security to sign off on the issue document</p>	Only 1 weakness identified without recommendation	Two weaknesses identified without recommendation. Or One weakness and one recommendation.	Two weaknesses identified with one recommendation Or One weakness with two recommendations. NB: relationship between the ideas is important	Two weaknesses identified with two recommendations NB: relationship between the ideas is important. Students need to show abstract thinking.																
4.1a	1	The general purpose of the financial statements is to provide information about the results of operations, financial position, and cash flows of an organization. This information is used by the readers of financial statements to make decisions regarding the allocation of resources. In simple terms the purpose is to provide financial information to aid in decision making.	Purpose correctly stated																			
4.1b	1	-The main purpose of the Partnership Statement of Financial Position is to show the Partnership assets, liabilities and Partners equity at a specified period. This is prepared to show the financial position of the partnership business at the end of a financial year.	Purpose correctly stated																			

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		Current Ratio	Current Asset/Current Liabilities=\$17 000/\$ 13000	1.31:1				
5.2a	1	Sales personality, cleanliness, location, after sales service, quality of service, parts or salesmanship, brand and types of vehicles and parts they sell			Any one correct response			
5.2b	4	Key Financial information includes any component of financial reports. financial ratios, profitability, management efficiency, financial stability, liquidity			Stating one item correctly.	Stating two or more ideas correctly without any linkage	Stating two or more items correctly with the relationship or linkage of one item only.	Stating two or more items correctly with the relationship or linkage of both items.
6.1a	1	Routine			Correctly stated			
6.1b	1	Meet customer demand and retention			Correctly stated			
6.1c	1	Sufficient cash for overtime pay, overtime rate, meal, transport allowance			Correctly stated			
6.1d	1	Staff acceptance to work over time, resting time or breaks, break off time			Correctly stated			
6.1e	1	Hire more staff to meet the ongoing demand, Take fewer orders considering the limited staff			Correctly stated			
6.2a	1	The purpose of a budget is to plan ahead. This plan includes the projections of income, expenses, capital expenditure, etc. It is also an important tool for decision making, monitoring business performance and forecasting income and expenditure. The purpose of a budget is to plan your income and expenses, organize, track, and improve your financial situation.			Correctly stated			
6.2b	1	a non-cash item refers to an expense listed on an income statement, such as capital depreciation, investment gains or losses, that does not involve a cash payment, amortization, write downs, doubtful debts, theft, deferred tax			Correctly stated			
6.2c	1	Cost-Volume-Profit (CVP}			Correctly stated			
6.2d	2	Working: CM= Sales Price per unit-Variable Cost per unit =\$100-\$55 Answer: \$45			Only formula and/or working correct	Working and answer both are correct		