



**EDUCATIONAL QUALITY AND  
ASSESSMENT PROGRAMME**



# ***Scoring Rubric***

## **2022**

**South Pacific  
Form  
Seven  
Certificate**



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**2022 SPFSC ACCOUNTING ASSESSMENT SCHEDULE**

<b>Item</b>	<b>Skill Level</b>	<b>Evidence</b>	<b>Level 1 (Unistructural)</b>	<b>Level 2 (Multistructural)</b>	<b>Level 3 (Relational)</b>	<b>Level 4 (Extended Abstract)</b>								
1.1a	1	The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one company to another.	Must have the correct purpose (1 Correct idea provided)											
1.1b	2	The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders, and other creditors in making decisions about providing resources to the entity.	Objective is partially described (1 idea)	Objective fully described  (2 or more ideas)										
1.2a	1	Understandability is the concept that financial information should be presented so that a reader can easily comprehend it.	Correct definition											
1.2b	1	The timeliness of accounting information refers to the provision of information to users quickly enough for them to take action	Correct definition											
1.2c	1	Comparability is the level of standardization of accounting information that allows the financial statements of multiple organizations to be compared to each other	Correct definition											
1.2d	1	Verifiability means that it should be possible for an organization's reported financial results to be reproduced by a third party, given the same facts and assumptions.	Correct definition											
1.2e	1	The accounting entity concept (or entity concept or separate entity concept) is the principle that financial records are prepared for a distinct unit or entity regarded as separate from the individuals that own it	Correct definition											
1.2f	1	The monetary unit concept is an accounting principle that assumes business transactions or events can be measured and expressed in terms of monetary units and the monetary units are stable and dependable.	Correct definition											
1.2g	1	The going concern assumption is that a business will remain active for the foreseeable future.	Correct definition											
2.1a	3	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Debit (\$)</th> <th style="width: 15%;">Credit (\$)</th> </tr> </thead> <tbody> <tr> <td>Dec 31 2021</td> <td>Cash at Bank</td> <td align="right">104 500✓</td> <td></td> </tr> </tbody> </table>	Date	Particulars	Debit (\$)	Credit (\$)	Dec 31 2021	Cash at Bank	104 500✓		1 correct entry either debit or credit	1 correct debit entry and 1 correct credit entry	All entries are correct	
Date	Particulars	Debit (\$)	Credit (\$)											
Dec 31 2021	Cash at Bank	104 500✓												

		Debtors	1000✓					
		Inventory	5 000✓					
		Building	95 000✓					
		Land	50 000✓					
		Provision for doubtful debts		100				
		Creditors		5 000✓				
		Capital- Onetalk		150 400✓				
		Capital-Simmons		100 000✓				
2.1b	1	Partners can contribute non current assets such as Land, Building, Machinery Combining 2 or more existing businesses			Partnership formation correctly identified			
2.1c	1	Partnership Agreement/Partnership Deed(Act)			Source document correctly identified			
2.1d	1	Goodwill is the difference between the net value of the tangible assets of the business and what anyone is willing to pay for the business. It's what the business is worth over and above the value of what it owns.			Correct definition			
2.1e	1	Goodwill=Agreed price- (Assets-Labilities) OR Goodwill = Agreed value – Fair value of Net Assets			Correct formula stated			
2.2a	1	Company formation is the process of incorporating (registering) a business in the form of a limited company. When a company is registered, it becomes a separate legal entity; a 'person' that is completely distinct from its owners and responsible for its own finances, assets, and liabilities. Issue of shares			Correct definition			
2.2b	1	An application for shares is an offer by prospective shareholders to buy shares in a company. Issue of prospectus			Correct definition			

2.2c	1	An allotment of shares is when a company issues new shares in exchange for cash or otherwise. When an application is accepted	Correct definition			
2.2d	2	20 000*50c  Shares allotted=\$10 000	Correct working OR Correct answer only One of the 2 figures are correct, ie. 20 000 or 50c	Correct working and answer		

2.2e	3	<b>General Journal</b>				1 correct pair That is: (i) Application money received (ii) Application money due (iii) Allotment due (iv) Transfer of Trust money to Cash General & Refund of Excess Application (v) Money received on Allotment	2 correct pairs	3 or more correct pairs	
		<b>Date</b>	<b>Particulars</b>	<b>Debit (\$)</b>	<b>Credit (\$)</b>				
		Feb 28	Cash Trust	775 000✓					
			Application		775 000✓				
			(to record the receipt of application money)						
			Application	750 000✓					
			Equity Receivable/Uncalled Capital		750 000✓				
			(to record application money due)						
		Mar 1	Allotment	250 000✓					
			Equity Receivable/Uncalled Capital		250 000✓				
			(to record the allotment due)						
			Cash General/Cash at Bank	760 000✓					
			Cash Trust		760 000✓				
			(to record transfer of trust money to Cash General and Refund of excess Application)						
Mar 31	Cash at Bank	240 000✓							
	Allotment		240 000✓						
	(to record money received on allotment)								

2.2f	3	<p style="text-align: center;"><b>Awesome Ltd Statement of Financial Position As at 31<sup>st</sup> March 2022</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Shareholder's Equity</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Share Capital Issued and Paid Up capital</td> <td></td> <td style="text-align: right;">\$1,000,000✓</td> </tr> <tr> <td>Paid up Capital</td> <td></td> <td style="text-align: right;">\$1,000,000✓</td> </tr> <tr> <td><b>Current Assets</b></td> <td></td> <td></td> </tr> <tr> <td>Cash at Bank</td> <td></td> <td style="text-align: right;">\$1,000,000✓</td> </tr> </tbody> </table>	Shareholder's Equity	\$	\$	Share Capital Issued and Paid Up capital		\$1,000,000✓	Paid up Capital		\$1,000,000✓	<b>Current Assets</b>			Cash at Bank		\$1,000,000✓	1 correct entry	2 correct entries under the correct subheading	3 correct entries Under the correct subheading and correct balance	
Shareholder's Equity	\$	\$																			
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Cash at Bank		\$1,000,000✓																			

2.2g	2	Preference shareholders do not have the right to vote. Shareholders have a right to claim the assets in case of a wind up of the company. Fixed dividend payout for shareholders, irrespective of profit earned.	A feature of preference shares stated (1 idea presented)	Preference shares described (2 or more ideas presented)																																																																																		
3.1a	1	Manufacturing Enterprise is a business concern or other establishment engaged in the manufacture or production of goods	Correct definition																																																																																			
3.1b	1	Paper, staple pins, ink, toner, binder, DL, DM	Direct cost correctly identified																																																																																			
3.1c	3	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;">Job Cost Sheet</th> </tr> </thead> <tbody> <tr> <td style="width: 10%;">Job #</td> <td style="width: 15%;">303</td> <td style="width: 25%;">Description</td> <td colspan="2" style="text-align: center;">Shirts</td> </tr> <tr> <td>Date Started</td> <td>March 2</td> <td>Date Completed</td> <td colspan="2" style="text-align: center;">March 20</td> </tr> <tr> <td>Units completed</td> <td>1 000</td> <td></td> <td colspan="2"></td> </tr> <tr> <th colspan="5" style="text-align: center;">Direct materials</th> </tr> <tr> <th>Date</th> <th>Requisition #</th> <th>Quantity (units)</th> <th>Unit Price (\$)</th> <th>Cost (\$)</th> </tr> <tr> <td>Mar 2</td> <td>Materials</td> <td style="text-align: right;">2 000</td> <td style="text-align: right;">5</td> <td style="text-align: right;">10 000√</td> </tr> <tr> <td></td> <td>Buttons</td> <td style="text-align: right;">1</td> <td style="text-align: right;">100</td> <td style="text-align: right;">100√</td> </tr> <tr> <td></td> <td>Total Direct material</td> <td></td> <td></td> <td style="text-align: right;">10 100</td> </tr> <tr> <th colspan="5" style="text-align: center;">Direct Labour</th> </tr> <tr> <td>Mar 20</td> <td></td> <td style="text-align: right;">1 000</td> <td style="text-align: right;">3</td> <td style="text-align: right;">3 000√</td> </tr> <tr> <th colspan="5" style="text-align: center;">Manufacturing Overhead</th> </tr> <tr> <td></td> <td>Packing</td> <td style="text-align: right;">1</td> <td style="text-align: right;">100</td> <td style="text-align: right;">100√</td> </tr> <tr> <td></td> <td>Overheads</td> <td style="text-align: right;">1 000</td> <td style="text-align: right;">2</td> <td style="text-align: right;">2 000√</td> </tr> <tr> <td></td> <td>Total overheads</td> <td></td> <td></td> <td style="text-align: right;">2 100</td> </tr> <tr> <td colspan="4"><b>Total Cost</b></td> <td style="text-align: right;"><b>15 200√</b></td> </tr> </tbody> </table>	Job Cost Sheet					Job #	303	Description	Shirts		Date Started	March 2	Date Completed	March 20		Units completed	1 000				Direct materials					Date	Requisition #	Quantity (units)	Unit Price (\$)	Cost (\$)	Mar 2	Materials	2 000	5	10 000√		Buttons	1	100	100√		Total Direct material			10 100	Direct Labour					Mar 20		1 000	3	3 000√	Manufacturing Overhead						Packing	1	100	100√		Overheads	1 000	2	2 000√		Total overheads			2 100	<b>Total Cost</b>				<b>15 200√</b>	Any one correct entry	Any two correct entries	All three correct entries under DM, DL and FOH	
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3.2a	1	Finished goods	Output element correctly identified																																																																																			
3.2b	2	Job order costing is useful for determining if a job is profitable. It helps the company make estimates about the value of materials, labor, and overhead that will be spent while doing that particular job. Under this method, costs are collected and accumulated for each job, work order or project separately.	Elements of job order costing identified (1 idea)	Elements of job order costing identified with relevant	Elements of job order costing identified and how it works and/or the	Detailed discussion outlining the elements of job order costing,																																																																																

		<p>Each job can be separately identified and hence it becomes essential to analyse the costs according to each job.</p> <p>Job order costing also gives managers the advantage of being able to keep track of individuals' and teams' performance in terms of cost-control, efficiency and productivity.</p> <p>Provide quotation</p>		benefits of this method (2 or more ideas without linkage)	benefits/advantages are explained. (2 or more ideas that are related)	how costs are treated and the benefits of using this method. Uses examples to justify. (2 or more ideas with linkages & uses examples to justify)																
4.1a	2	<p>Doubtful debts</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr> <td></td> <td>Doubtful Debt</td> <td>400 ✓</td> <td></td> </tr> <tr> <td></td> <td>Provision for doubtful debts</td> <td></td> <td>400 ✓</td> </tr> <tr> <td></td> <td>(to record the increase in the provision for doubtful debt)</td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	Dr	Cr		Doubtful Debt	400 ✓			Provision for doubtful debts		400 ✓		(to record the increase in the provision for doubtful debt)			1 entry correct	2 entries correct		
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	Doubtful Debt	400 ✓																				
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4.1b	2	<p><b>Prepaid rent</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr> <td></td> <td>Prepaid Rent</td> <td>600 ✓</td> <td></td> </tr> <tr> <td></td> <td>Rent</td> <td></td> <td>600 ✓</td> </tr> <tr> <td></td> <td>(to record expense prepaid on balance day)</td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	Dr	Cr		Prepaid Rent	600 ✓			Rent		600 ✓		(to record expense prepaid on balance day)			Both entries correct but incorrect order	All entries correct		
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	Rent		600 ✓																			
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4.1c	2	<b>Revenue received in advance</b>				Both entries correct but incorrect order	All entries correct		
		<b>Date</b>	<b>Particulars</b>	<b>Dr</b>	<b>Cr</b>				
			Service income	10000√					
			Service income received in advance		10000√				
		(to record the income received in advance on balance day)							

4.1d	4	<p style="text-align: center;"><b>Manek &amp; Associates</b></p> <p style="text-align: center;"><b>Statement of Financial Performance for the year ending 30 June 2022</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><b>Income</b></td> <td></td> <td></td> </tr> <tr> <td>Service income</td> <td></td> <td style="text-align: right;">90 000√</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Less Expenses</b></td> <td></td> <td></td> </tr> <tr> <td>Doubtful debts</td> <td style="text-align: right;">400√</td> <td></td> </tr> <tr> <td>Bad Debts</td> <td style="text-align: right;">2 000√</td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">11 400√</td> <td></td> </tr> <tr> <td>Interest on Loan</td> <td style="text-align: right;">5 050√</td> <td></td> </tr> <tr> <td>Depreciation on Equipment</td> <td style="text-align: right;">6 000√</td> <td></td> </tr> <tr> <td>Depreciation on building</td> <td style="text-align: right;">20 000√</td> <td></td> </tr> <tr> <td>Total Expenses</td> <td></td> <td style="text-align: right;">48 850√</td> </tr> <tr> <td><b>Net operating Profit</b></td> <td></td> <td style="text-align: right;"><b>45 150√</b></td> </tr> </tbody> </table>		\$	\$	<b>Income</b>			Service income		90 000√				<b>Less Expenses</b>			Doubtful debts	400√		Bad Debts	2 000√		Rent	11 400√		Interest on Loan	5 050√		Depreciation on Equipment	6 000√		Depreciation on building	20 000√		Total Expenses		48 850√	<b>Net operating Profit</b>		<b>45 150√</b>	Either the income or one expense stated correctly	Income plus one expense listed correctly	The income and all expenses correctly recorded without the Net operating profit	All entries are correct
	\$	\$																																											
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5.1a	2	Net income/Average Shareholders' Equity $90000/500000=.18:1$	Correct Formula or working	Correct Formula and answer																																									
5.1b	2	<ol style="list-style-type: none"> <li>1. Stock Turnover</li> <li>2. Accounts Receivable Turnover</li> </ol>	1 correct ratio identified	2 correct ratios identified																																									
5.1c	3	<p>Analysis and interpretation of financial statements are an attempt to determine the significance and meaning of the financial statement data so that a forecast may be made of the prospects for future earnings, ability to pay interest, debt maturities, both current as well as long term, and profitability of sound dividend policy.</p> <p>The main function of financial analysis is the pinpointing of the strength and weaknesses of a business undertaking by regrouping and analysis of figures contained in financial statements, by making comparisons of various components and by examining their content. The analysis and interpretation of financial statements represent the last of the four major steps of accounting.</p>	<p>Meaning of analysis and interpretation of financial statements provided</p> <p>(1 idea)</p>	<p>General description of analysis and interpretation of financial statements</p> <p>(2 or more ideas without linkage)</p>	<p>Detailed explanation on the significance of analysis with linkage to ratios and interpretation of financial statements with linkage to decision making. The usefulness of the ratios in decision making explained.</p>																																								

						(2 or more ideas with linkage)																																													
5.1d	1	• Vertical Analysis			Correct response																																														
5.2	2	It does not have anything to do with money It adds significant value eg staff moral, environmental impact, relationship with vendors, social responsibility, diversity in workplace.			A correct feature identified	A description of the feature provided																																													
6.1a	4	<p style="text-align: center;"><b>Cash Budget for the First Quarter (January-March)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%;">January(\$)</th> <th style="width: 15%;">February(\$)</th> <th style="width: 10%;">March (\$)</th> </tr> </thead> <tbody> <tr> <td><b>Balance</b></td> <td>10 000√</td> <td>23 500</td> <td>37 675</td> </tr> <tr> <td><b>Receipts</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sales</td> <td>50 000√</td> <td>45 000</td> <td>40 000</td> </tr> <tr> <td>Interest</td> <td>500√</td> <td>1175</td> <td>1883.75</td> </tr> <tr> <td><b>Payments</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td>30 000√</td> <td>25 000</td> <td>20 000</td> </tr> <tr> <td>Wages</td> <td>3 000√</td> <td>3 000</td> <td>3 000</td> </tr> <tr> <td>Rent</td> <td>4 000√</td> <td>4 000</td> <td>4 000</td> </tr> <tr> <td>Total payment</td> <td>37 000√</td> <td>32 000</td> <td>27 000</td> </tr> <tr> <td>Cash Balance</td> <td><b>23 500√</b></td> <td><b>37 675</b></td> <td><b>52 558.75</b></td> </tr> </tbody> </table>		January(\$)	February(\$)	March (\$)	<b>Balance</b>	10 000√	23 500	37 675	<b>Receipts</b>				Sales	50 000√	45 000	40 000	Interest	500√	1175	1883.75	<b>Payments</b>				Purchases	30 000√	25 000	20 000	Wages	3 000√	3 000	3 000	Rent	4 000√	4 000	4 000	Total payment	37 000√	32 000	27 000	Cash Balance	<b>23 500√</b>	<b>37 675</b>	<b>52 558.75</b>		Any one correct amount for the month of January (Either Balance or Receipts or Payments)	Any two amounts of the three for the month of January Balance, Receipts or Payments)	Balance plus one receipt and one payment	All correct entries for the month of January
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6.1b	2	Breakeven point using CM BEP=FC/CM =\$800,000/\$40 BEP (units)=20,000 units			Working is correct but incorrect answer	CM Approach used with correct answer																																													
6.1c	2	Margin of Safety in \$ (Budgeted Sales-BEP sales) (50000*\$100)- (20000*\$100) \$5,000,000-2,000,000 \$3,000,000			Part of the working is correct OR Correct formula provided	Correct calculation and answer																																													

6.1d	2	The <i>margin of safety</i> indicates the amount of sales that are above the BEP. In other words, the margin of safety indicates the amount by which a company's sales could decrease before the company will be making losses.	Partial description for margin of safety provided. (1 idea only)	Full description for margin of safety provided. (Description includes 2 or more ideas)		
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## **Part C: Conclusion**

The candidates' performance in Accounting is of great concern. With most of the questions tagged at lower levels of the SOLO taxonomy, candidates were still not able to provide the correct responses.

The candidates lack basic understanding of accounting with many who left the questions blank while some did not know what is required in a particular question. Many candidates did not understand certain concepts while some wrote incorrect responses to a concept. The basic concept of debit must come before credit when preparing journal entries is lacking as seen in the candidates' responses. One way to improve the poor performance of students is to provide teachers training on how to teach accounting.