CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

08 JANUARY 2020 (p.m.)

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FILL IN ALL THE INFORMATION REQUESTED CLEARLY IN CAPITAL LETTERS.

TEST CODE | 0 | 1 | 2 | 3 | 9 | 0 | 3 | 2 |

SUBJECT PRINCIPLES OF ACCOUNTS – Paper 032

PROFICIENCY GENERAL

REGISTRATION NUMBER | | | | | | | | | | |

SCHOOL/CENTRE NUMBER					

NAME OF SCHOOL/CENTRE

CANDIDATE'S FULL NAME (FIRST, MIDDLE, LAST)

DATE OF BIRTH | D | D | M | M | Y | Y | Y | Y |

SIGNATURE _____

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WRITE ON
THIS PAGE





FORM TP 2020029

TEST CODE 01239032

JANUARY 2020

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

PRINCIPLES OF ACCOUNTS

Paper 032 – General Proficiency

1 hour 30 minutes

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. Answer ALL questions.
2. Write your answers in the spaces provided in this answer booklet.
3. Do NOT write in the margins.
4. Show ALL working clearly.
5. You may use a silent, non-programmable calculator to answer questions.
6. You are advised to take some time to read through the paper and plan your answers.
7. If you need to rewrite any answer and there is not enough space to do so on the original page, you must use the extra lined page(s) provided at the back of this booklet. **Remember to draw a line through your original answer.**
8. **If you use the extra page(s) you MUST write the question number clearly in the box provided at the top of the extra page(s) and, where relevant, include the question part beside the answer.**

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

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This paper consists of a case study and TEN questions. Read the case and answer ALL the questions that follow in the spaces provided in this booklet.

CASE STUDY

First-Class Private School Cafeteria

Five teachers of the First-Class Private School came together to invest in the operation of a school cafeteria. Each teacher contributed $30 000 and agreed that profits would be used to set up a special fund to assist needy students with costs such as buying books, school uniforms and paying school fees.

1. (a) What was the total cash used to start the cafeteria's operations?

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(2 marks)

(b) Suggest TWO other uses to which the special fund could be applied in order to benefit students in need.

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(2 marks)

After the first six months of operation, the records of the cafeteria showed the following.

Total sales	$80 500
Total purchases	$38 000
Total expenses	$18 200
Number of lunches sold	16 100
Number of lunches paid for	14 720

There was no closing inventory at the end of the first six months.

2. What was the average price of each lunch?

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(2 marks)

3. How much cash was collected from lunch sales during the first six months?

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(2 marks)

4. What is the profit available to set up the special fund? Using the following template draw up the Income Statement for the six months ended 28 February 2019.

(7 marks)

At the end of the first six months, records also revealed there were monies owing to the cafeteria, summarized by class groups as follows.

Amounts Receivable by Grade	
Grade 7	$600
Grade 8	$1 700
Grade 9	$2 500
Grade 10	$2 100

Management has decided to create a provision of 5% of the receivables at the end of the first six months, to cater for the possibility of bad debts.

GO ON TO THE NEXT PAGE

5. (a) Calculate the amount required to create the provision for doubtful debts.

(2 marks)

(b) Create the provision for doubtful debts account on 28 February 2019. Be sure to bring down the balance to start off the next period.

(3 marks)

(c) What accounting concept has First-Class Private School Cafeteria's management followed in its decision to create a provision for doubtful debts?

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(1 mark)

6. (a) Calculate the revised or adjusted profit after accounting for the provision for doubtful debts.

(3 marks)

(b) Calculate the return on investment for the five teachers, after taking into account the provision for doubtful debts.

(3 marks)

7. Prepare a list of FOUR likely inventory items you would expect to see in the cafeteria during the period.

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(2 marks)

GO ON TO THE NEXT PAGE

8. State FIVE possible expense items relating to the operations of the cafeteria.

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(5 marks)

9. List THREE books of original entry you would recommend for the operations of the cafeteria.

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(3 marks)

10. Identify THREE possible non-current assets you would expect to see in the cafeteria.

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(3 marks)

Total 40 marks

END OF TEST

IF YOU FINISH BEFORE TIME IS CALLED, CHECK YOUR WORK ON THIS TEST.

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EXTRA SPACE

If you use this extra page, you MUST write the question number clearly in the box provided.

Question No. ☐

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CANDIDATE'S RECEIPT

INSTRUCTIONS TO CANDIDATE:

1. **Fill in all the information requested clearly in capital letters.**

TEST CODE: | 0 | 1 | 2 | 3 | 9 | 0 | 3 | 2 |

SUBJECT: PRINCIPLES OF ACCOUNTS – Paper 032

PROFICIENCY: GENERAL

REGISTRATION NUMBER: | | | | | | | | | | |

FULL NAME: _____

(BLOCK LETTERS)

Signature: _____

Date: _____

2. **Ensure that this slip is detached by the Supervisor or Invigilator and given to you when you hand in this booklet.**

3. **Keep it in a safe place until you have received your results.**

INSTRUCTION TO SUPERVISOR/INVIGILATOR:

Sign the declaration below, detach this slip and hand it to the candidate as his/her receipt for this booklet collected by you.

I hereby acknowledge receipt of the candidate's booklet for the examination stated above.

Signature: _____
Supervisor/Invigilator

Date: _____

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