

Sangam S.K.M College-Nadi
Year 10
Commercial Studies
Worksheet 1& 2

1. Select from the list below the **most** likely characteristic of accounting data for each of the four accounting information numbered (i) to (iv).

Comparability	Neutrality	Timeliness
Relevance	Understandability	

Accounting Information:

- i. Reports are made available after 2 weeks from the end of the reported accounting period-
 - ii. Final Accounts of 2015 are used to evaluate 2016's performance
 - iii. Financial Statements have been prepared objectively and without bias
 - iv. Financial reports are prepared for unskilled users (4 marks)
2. Select from the list below the appropriate type of business.

Sole Proprietorship	Partnership	Private Companies
Clubs	Public Companies	

- a) It's major source of revenue is from donation and subscription
 - b) It has a legal document that is followed when there is misunderstanding amongst the owners recognizing deed of agreement
 - c) It is owned and managed by the owner having limited capital to expand the business
 - d) The source of capital is money received from shares issued to the general public (4 marks)
3. **CHARACTERISTICS OF ACCOUNTING DATA**

Identify the relevant characteristic of accounting data for each of the following transactions.

- a. The accountant of Narere Soccer Club prepares a financial report for unskilled users.
- b. Bantu the owner of Toy Store received his annual financial report on 21st December 2016. The report was for due on 1st January 2017.
- c. The auditors remind the accountant to use one accounting method only and not to change from one method to another.
- d. When two or more accountants measure the result of a business transaction, both should obtain approximately the same result

SOLUTION

QUESTION 1

- i. Timeliness
- ii. Comparability
- iii. Neutrality
- iv. Understandability

QUESTION 2

- a) Clubs
- b) Partnership
- c) Sole Proprietorship
- d) Public Companies

QUESTION 3

- a. Understandability
- b. Timeliness
- c. Consistency Concept(not a characteristic)
- d. Verifiability

BOOKS OF FIRST ENTRY**PURCHASES JOURNAL**

Date	Particulars	Debit (\$)	Credit (\$)
October 2	Derenalagi		4 000
4	Jasa's Computer Services		10 000
12	Tuisova's Computer Supplies		2 000
31	PURCHASES a/c Dr	16 000	

SALES JOURNAL

Date	Particulars	Debit (\$)	Credit (\$)
October 13	Tuwai	1 500	
8	Viriviri	1 000	
30	Sales a/c Cr		2 500

PURCHASES RETURNS JOURNAL

Date	Particulars	Debit (\$)	Credit (\$)
October 25	Derenalagi	100	
27	Jasa's Computer Services	200	
30	Tuisova's Computer Supplies	200	
30	PURCHASES RETURNS a/c Cr		500

SALES RETURNS JOURNAL

Date	Particulars	Debit (\$)	Credit (\$)
October 13	Viriviri		50
28	Tuwai		150
22	Simi		70
30	SALES RETURNS a/c Dr	270	

General Journal

Date	Particulars	Debit (\$)	Credit (\$)
Sept 3	equipment from	15 000	
	Equipment world		15 000
Sept 22	Bad Debts	35	
	Meena		35

SOLUTION

1. Define the following terms:
 - a. Consumer sovereignty- **consumers demand determines production.**
 - b. Price mechanism- **Prices are determined by the market forces of Demand and Supply.**
 - c. Economic system- **A method by which a society decides what, how and for whom goods and services are to be produced.**
2. D