

AGA KHAN UNIVERSITY EXAMINATION BOARD

Notes from E-Marking Centre HSSC-II Principles of Accounting Annual Examinations 2023

Introduction

This document has been prepared for the teachers and candidates of Higher Secondary School Certificate (HSSC) Part II (Class XII) POA. It contains comments on candidates' responses to the 2023 HSSC-II Examination indicating the quality of the responses and highlighting their relative strengths and weaknesses.

E-Marking Notes

This includes overall comments on candidates' performance on every question and *some* specific examples of candidates' responses which support the mentioned comments. Please note that the descriptive comments represent an overall perception of the better and weaker responses as gathered from the e-marking session. However, the candidates' responses shared in this document represent some specific example(s) of the mentioned comments.

Teachers and candidates should be aware that examiners may ask questions that address the Student Learning Outcomes (SLOs) in a manner that requires candidates to respond by integrating knowledge, understanding and application skills they have developed during the course of study. Candidates are advised to read and comprehend each question carefully before writing the response to fulfil the demand of the question.

Candidates need to be aware that the marks allocated to the questions are related to the answer space provided on the examination paper as a guide to the length of the required response. A longer response will not in itself lead to higher marks. Candidates need to be familiar with the command words in the SLOs which contain terms commonly used in examination questions. However, candidates should also be aware that not all questions will start with or contain one of the command words. Words such as 'how', 'why' or 'what' may also be used.

General Observations:

The candidates' overall performance in the examination was commendable across all sections of the paper particularly in single entry accounting and partnership accounting. However, it is apparent that some candidates lost marks primarily in the theoretical segment of the questions. In the field of accounting, it was noted that candidates generally excelled in the computational aspects but encountered difficulties when it came to describing or explaining concepts.

During their attempts at theoretical questions, it became evident that those who did not perform well often struggled to grasp the essence of the questions, frequently misinterpreting both the command words and the stimuli provided. Furthermore, it is observed that in analytical questions their interpretations of figures and accounting transactions were notably weak. In particular topics of company's accounting and partnership accounting, they faced more challenge, and their accounting treatment was not correct.

Note: Candidates' responses shown in this report have not been corrected for grammar, spelling, format or factual information.

DETAILED COMMENTS
Constructed Response Questions (CRQs)

Question No. 1	
Question Text	Surti Enterprises sells goods at a gross profit of 25%. If the sales revenue is Rs 100,000 and the cost of sales is Rs 75,000, then calculate the gross profit mark-up ratio.
SLO No.	6.1.9
SLO Text	Conceptualize concept and treatment of mark up and margin.
Maximum Marks	2
Cognitive Level	A*
Checking Hints	Give ONE mark for applying CORRECT Formula. Give ONE mark for calculating gross profit mark-up ratio.
Overall Performance	This question was about converting margin into mark-up from given business scenario. The question tested the analytical and logical computation skills of the candidates. The overall performance was satisfactory z.
Description of Better Responses	The responses revealed that most of the respondents understood the difference between mark-up and margin. This understanding remained consistent whether using the formula or calculation methods. Marks were awarded for correct formula application and precise calculation, totalling two marks.
Image of Better Response	
Description of Weaker Responses	Overall, the cohort faced challenges in converting margin to mark-up and calculating gross profit with mark-up percentage due to misconceptions and lack of comprehension. Many candidates struggled with grasping the concepts of mark-up and margin, especially in deriving the mark-up ratio from the margin ratio. Some mistakenly equated gross profit with the mark-up ratio or used the margin formula incorrectly.
Image of Weaker Response	

Suggestions for Improvement (Highlighted part)

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share 	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

required like analysing or evaluating)		
<ul style="list-style-type: none"> Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	** For description of each pedagogy, refer to Annexure A	

Any Additional Suggestion

Candidates must prioritise grasping mark-up and margin concepts, as they have far-reaching implications in various syllabus components. The understanding of these concepts can be through practicing the questions from different resources mentioned in the resource guide. While not dominant in exams, these concepts significantly impact related subjects. Deep comprehension is key to success in these areas.

*K = Knowledge U = Understanding A = Application and other higher-order cognitive skills

Question No. 2																																																
Question Text	<p>The following details have been extracted as on September 30, 2022 from the books of a grocery store owned by Shani.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">October 01, 2021</th> <th style="width: 25%;">September 30, 2022</th> </tr> </thead> <tbody> <tr> <td>Inventory</td> <td style="text-align: right;">Rs 27,600</td> <td style="text-align: right;">Rs 45,800</td> </tr> <tr> <td>Trade receivables (accounts receivable)</td> <td style="text-align: right;">Rs 79,400</td> <td style="text-align: right;">Rs 63,700</td> </tr> <tr> <td>Trade payables (accounts payable)</td> <td style="text-align: right;">Rs 23,900</td> <td style="text-align: right;">Rs 32,300</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">Rs 70,000</td> <td style="text-align: right;">To be determined</td> </tr> </tbody> </table> <p>Shani has also prepared the following receipt and payment account for the year ended September 30, 2022.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Receipt and Payment Account</th> </tr> </thead> <tbody> <tr> <td style="width: 50%; border-right: 1px solid black;">Balance b/d</td> <td style="width: 10%; text-align: right;">33,700</td> <td style="width: 50%; border-right: 1px solid black;">Payment to suppliers</td> <td style="width: 10%; text-align: right;">40,000</td> </tr> <tr> <td style="border-right: 1px solid black;">Cash received from customers</td> <td style="text-align: right;">63,000</td> <td style="border-right: 1px solid black;">Wages paid</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td></td> <td style="border-right: 1px solid black;">Drawings</td> <td style="text-align: right;">12,000</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td></td> <td style="border-right: 1px solid black;">Purchases</td> <td style="text-align: right;">3,700</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td></td> <td style="border-right: 1px solid black;">Balance c/d</td> <td style="text-align: right;">38,000</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td style="text-align: right; border-top: 1px solid black;">96,700</td> <td style="border-right: 1px solid black;"></td> <td style="text-align: right; border-top: 1px solid black;">96,700</td> </tr> <tr> <td style="border-right: 1px solid black;">Balance b/d</td> <td style="text-align: right;">41,700</td> <td style="border-right: 1px solid black;"></td> <td></td> </tr> </tbody> </table> <p>Calculate the amount of total purchases from the given information.</p>	Particulars	October 01, 2021	September 30, 2022	Inventory	Rs 27,600	Rs 45,800	Trade receivables (accounts receivable)	Rs 79,400	Rs 63,700	Trade payables (accounts payable)	Rs 23,900	Rs 32,300	Capital	Rs 70,000	To be determined	Receipt and Payment Account				Balance b/d	33,700	Payment to suppliers	40,000	Cash received from customers	63,000	Wages paid	3,000			Drawings	12,000			Purchases	3,700			Balance c/d	38,000		96,700		96,700	Balance b/d	41,700		
Particulars	October 01, 2021	September 30, 2022																																														
Inventory	Rs 27,600	Rs 45,800																																														
Trade receivables (accounts receivable)	Rs 79,400	Rs 63,700																																														
Trade payables (accounts payable)	Rs 23,900	Rs 32,300																																														
Capital	Rs 70,000	To be determined																																														
Receipt and Payment Account																																																
Balance b/d	33,700	Payment to suppliers	40,000																																													
Cash received from customers	63,000	Wages paid	3,000																																													
		Drawings	12,000																																													
		Purchases	3,700																																													
		Balance c/d	38,000																																													
	96,700		96,700																																													
Balance b/d	41,700																																															
SLO No.	6.1.10																																															
SLO Text	Compute net purchases, net sales, total credit purchases, and total credit sales																																															
Maximum Marks	5																																															
Cognitive Level	A																																															
Checking Hints	<p>Give ONE mark for posting opening balance. Give ONE mark for posting ending balance. Give ONE mark for posting cash paid to supplier. Give ONE mark for calculating credit purchases. Give ONE mark for calculating total purchases.</p> <p>NOTE: Solution in Statement or Computational form will be accepted as well. Marks will be allocated as per the given checking hint criteria for finding the figures.</p>																																															

Overall Performance
The question was about computing the total amount of purchases from the given data. The question requires skill of interpreting the given receive and payment account from the particulars. The cohort showed potential for improvement as some of them were unable to interpret data for ledger and statement preparation. Nevertheless, about two-thirds of the cohort scored well on this question, demonstrating strong comprehension. Candidates needs to improve its grasp of accounting concepts regarding credit and cash purchases. Candidates should use the Purchase Account for credit purchases and distinguish between credit and cash transactions accurately. Emphasizing accrual accounting principles will enhance their understanding and performance in this area.

Description of Better Responses
Notably, high-performing candidates demonstrated a commendable understanding of financial concepts by using Trade Payable Control Accounts and financial statements to calculate credit purchases. However, it is crucial to address the common omission of cash purchases in their calculations.

Image of Better Response

Accounts payable	
payment to supplier 40,000 B/d	23,900
c/d	credit
32,300	purchases 48,400
<u>72,300</u>	<u>72,300</u>
Total purchases = Cash + credit	
= 3700 + 48,400	
= 52,100 ans.	

Description of Weaker Responses
Many candidates struggled with posting entries in the trade payable control ledger and creating accurate statements.

Image of Weaker Response

EXPENDITURE	Rs.	Income	Rs.
Payment to suppliers	40,000	Cash received from	63000
Wages paid	3000	customers	
Purchases	3700		
Drawings	12000		
Surplus (balancing fig)	4300		
	<u>63000</u>		<u>63000</u>

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

Image of Weaker Response	subscription in advance	2500	subscription received	13750
		11450	subscription due	200
		13950	bal b/d	13950

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

Any Additional Suggestion

Teachers should include discussions on subscription account formats to enhance topic comprehension and candidate engagement. Elaborate on account components and structures for a comprehensive understanding, fostering a richer learning experience for all.

Question No. 4

Question Text	YoYo Library is a non-profit institution. During the year 2022, YoYo Library organised various events for the promotion of reading habits within the community. The following receipt and payment account has been provided by the accountant of YoYo library.			
	Receipts		Payments	
	Amount (Rs)		Amount (Rs)	
Membership fee	80,800	Purchased cabinets for library	67,500	
Receipt from organising events	67,000	Books purchased	23,000	
Interest on long term investment	23,000	Insurance expense	13,000	
		Rent expense	24,000	
		Supplies expense	1,800	
		Wages and salaries	11,000	

Additional information as on December 31, 2022 is as under:

- Supplies used amounted to Rs 1,350
- Outstanding staff salary amounted to Rs 2,000
- Insurance included an amount of Rs 1,800 which was paid on September 01, 2022 for six months.
- Library cabinets are to be depreciated at 10% annually.

Prepare the income and expenditure account of YoYo Library for the year ended December 31, 2022.

SLO No.	7.2.5																																	
SLO Text	Prepare statement of income and expenditure (income and expenditure account)																																	
Maximum Marks	4																																	
Cognitive Level	A																																	
Checking Hints	Give ONE mark for each transaction.																																	
Overall Performance	This question is about the income and expenditure account. Majority of candidates struggled in this question and were unable to meet the requirement. However, some students performed well in this question and scored good marks.																																	
Description of Better Responses	The better responses showed that candidates were able to categorise income and expenditures, skilfully incorporating year-end data. Their accurate surplus calculation enhanced outcomes.																																	
Images of Better Response	<table border="1"> <thead> <tr> <th colspan="2">Expenditure</th> <th colspan="2">Income</th> </tr> </thead> <tbody> <tr> <td>Insurance expense</td> <td>12400</td> <td>Membership fee</td> <td>80800</td> </tr> <tr> <td>Rent expense</td> <td>24000</td> <td>Receipt from organising events</td> <td>67000</td> </tr> <tr> <td>Supplies expense</td> <td>1350</td> <td>Interest on long-term investment</td> <td>23000</td> </tr> <tr> <td>Wages and salaries</td> <td>13000</td> <td></td> <td></td> </tr> <tr> <td>Depreciation expense</td> <td>6750</td> <td></td> <td></td> </tr> <tr> <td>Surplus</td> <td>113300</td> <td></td> <td></td> </tr> <tr> <td></td> <td><u>170800</u></td> <td></td> <td><u>170800</u></td> </tr> </tbody> </table>		Expenditure		Income		Insurance expense	12400	Membership fee	80800	Rent expense	24000	Receipt from organising events	67000	Supplies expense	1350	Interest on long-term investment	23000	Wages and salaries	13000			Depreciation expense	6750			Surplus	113300				<u>170800</u>		<u>170800</u>
Expenditure		Income																																
Insurance expense	12400	Membership fee	80800																															
Rent expense	24000	Receipt from organising events	67000																															
Supplies expense	1350	Interest on long-term investment	23000																															
Wages and salaries	13000																																	
Depreciation expense	6750																																	
Surplus	113300																																	
	<u>170800</u>		<u>170800</u>																															
Description of Weaker Responses	Weaker responses revealed issues with misplacing amounts in the income and expenditure account. Some candidates' responses wrongly included capital expenditures, such as cabinet purchases, within the income and expenditure account, indicating a lack of comprehension in categorising income and expenditure. These errors led to inaccuracies in surplus or deficit calculations. To improve overall performance, it is essential to enhance understanding of categorisation and adjustment effects.																																	
Images of Weaker Response	<table border="1"> <thead> <tr> <th colspan="2">Income</th> <th colspan="2">expenditure</th> </tr> </thead> <tbody> <tr> <td>Membership fee</td> <td>80800</td> <td>Insurance exp</td> <td>22000</td> </tr> <tr> <td>Receipt from events</td> <td>67000</td> <td>Rent exp</td> <td>24000</td> </tr> <tr> <td></td> <td></td> <td>Supplies exp</td> <td>450</td> </tr> <tr> <td></td> <td></td> <td>Wages & staff</td> <td>9000</td> </tr> <tr> <td></td> <td></td> <td>Deficit for the year</td> <td>112150</td> </tr> <tr> <td></td> <td><u>147800</u></td> <td></td> <td><u>147800</u></td> </tr> </tbody> </table>		Income		expenditure		Membership fee	80800	Insurance exp	22000	Receipt from events	67000	Rent exp	24000			Supplies exp	450			Wages & staff	9000			Deficit for the year	112150		<u>147800</u>		<u>147800</u>				
Income		expenditure																																
Membership fee	80800	Insurance exp	22000																															
Receipt from events	67000	Rent exp	24000																															
		Supplies exp	450																															
		Wages & staff	9000																															
		Deficit for the year	112150																															
	<u>147800</u>		<u>147800</u>																															
How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies																																
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping 	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom 																																

<p>question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating)</p> <ul style="list-style-type: none"> Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	
---	---	--

Any Additional Suggestion

Teachers should integrate the concept of capital and revenue expenditures with income and expenditure accounts. This connection helps candidates understand that income and expenditure accounts represent revenue-related transactions. Strengthening this link improves candidates' financial comprehension in accounting.

Question No. 5

Question Text	<p>Hira and Zahra are partners in a firm, sharing profit and loss in the ratio 3:2. Following details have been taken from the records of their business.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Capital as on April 01, Hira</td> <td>320,000</td> </tr> <tr> <td>Capital as on April 01, - Zahra</td> <td>280,000</td> </tr> <tr> <td>Drawings during the year, - Hira</td> <td>60,000</td> </tr> <tr> <td>Drawings during the year, - Zahra</td> <td>48,000</td> </tr> <tr> <td>Profit for the year</td> <td>94,000</td> </tr> </tbody> </table> <p>Few of the clauses of the partnership agreement signed between them are as under:</p> <ul style="list-style-type: none"> Interest on capital is to be allowed at 6% per annum. Interest on drawings is to be charged at 3% per annum. Zahra is allowed a bonus of 5% on her opening capital balance. Residual profit or loss is to be shared between both the partners as per agreed ratio. <p>Prepare the capital account for Hira under the fluctuating capital method.</p>	Particulars	Amount (Rs)	Capital as on April 01, Hira	320,000	Capital as on April 01, - Zahra	280,000	Drawings during the year, - Hira	60,000	Drawings during the year, - Zahra	48,000	Profit for the year	94,000
Particulars	Amount (Rs)												
Capital as on April 01, Hira	320,000												
Capital as on April 01, - Zahra	280,000												
Drawings during the year, - Hira	60,000												
Drawings during the year, - Zahra	48,000												
Profit for the year	94,000												
SLO No.	8.3.5												
SLO Text	<p>Explain the following methods of distribution of income:</p> <ol style="list-style-type: none"> fixed capital method fluctuating capital method 												
Maximum Marks	5												
Cognitive Level	A												
Checking Hints	<p>Give ONE mark for each posting of (interest on capital, interest on drawings, share of profit and drawings).</p> <p>Give ONE mark for balancing the ledger.</p>												
Overall Performance	The majority performed well, but a few achieved perfections. The common issue was inaccuracies in representing interest on drawings in the capital account.												
Description of Better Responses	Better opening balances accurately, depicted the closing entry for drawings in the capital account effectively, and proficiently addressed profit/ loss allocation among partners, ensuring an accurate determination of Hira's final capital account balance.												

Image of Better Response	Capital Account - Hira	
	Drawings 60,000	April 1st balance b/d 320,000
Interest on Drawings 1800	Interest on Capital 19200	
	- Residual profit 28344	
balance c/d 305,744		
367,544	367,544	

Description of Weaker Responses
 Several responses in the cohort showed challenge in ledger preparation. Candidates often overlooked correctly posting interest on drawings to the credit side and made errors in placing amounts on the partner's capital account. To enhance comprehension and accuracy, candidates should refine ledger preparation skills, focusing on interest posting and account placement.

Image of Weaker Response	Net profit			94000
	Interest on Capital	19200	16800	
	Bonus 5% to Zaha		14000	
		19200	30800	50000
	Net profit			44000
	distributing	22000	22000	(44000)
		41200	52800	-
		Credit of Profit to Cash Profit to Cash 94000 Zaha's Capital a/c Hira's Capital a/c 41200		

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

Any Additional Suggestion

Question No. 6

Question Text

With reference to partnership accounts, differentiate between revaluation account and realisation account. Attempt any FIVE.

Basis for Comparison	Revaluation Account	Realisation Account
Meaning		
Scope		
When is it done?		
Number of times it is prepared		
Accounting entries are based on		
Remaining balance is transferred to		

SLO No.

8.4.1/8.6.4

SLO Text

Explain the concept of revaluation.
Explain the basic concept of realisation in partnership accounting

Maximum Marks

5

Cognitive Level

U

Checking Hints

Give ONE mark for each difference (FIVE required).

Overall Performance

This question aimed to evaluate candidates' grasp of essential accounting concepts within a partnership business context. Results showed most of the candidate have good understanding of revaluation and realisation accounts and scoring good marks. However, some provided off-topic responses, mentioning asset-liability distinctions or account purposes. Clarifying the precise roles of revaluation and realisation accounts is needed to improve comprehension.

Description of Better Responses

Better response highlighted their focus on specific account distinctions and reflected proper difference between revaluation and realisation account.

Image of Better Response	Basis for Comparison	Revaluation Account	Realisation Account
	Meaning	It is an account created when assets and liabilities are revalued	It is an account for when a firm is dissolved and created to manage assets and liabilities
	Scope	It is important cause the firm revalue assets and the value is stored int. It'll make it easier to do accounts	we can easily know the amount after making realisation a/c and distribute to the partner
	When is it done?	When admission of a new partner	When dissolution of a firm
	Number of times it is prepared	It is prepared whenever partners agree to revalue their assets/liabilities	It is prepared one time
	Accounting entries are based on	debit to increase	
	Remaining balance is transferred to	old/new Partners account increase of gain/loss	Partner account

Description of Weaker Responses Weaker responses highlighted that candidates are unable to differentiate revaluation account and realisation account and gave incorrect responses.

Images of Weaker Response	Basis for Comparison	Revaluation Account	Realisation Account
	Meaning	It is use in Partnership Business Admission	It is also use in in partnership business retirement
	Scope		
	When is it done?	It is done in general journal entries	It is also done in general journal entries
	Number of times it is prepared	5 times in general entries	2 times in general entries.
	Accounting entries are based on		
	Remaining balance is transferred to	distribute in all partners equally	distribute in partners by their ratios

How to Approach SLO

Pedagogy** Used for that SLO

Assessment Strategies

<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom
Any Additional Suggestion		

Question No. 7																																	
Question Text	<p>Ayan and Areej are partners in a firm. They share profit and loss equally. The statement of financial position (balance sheet) of the firm as on June 30, 2022 is as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Amount (Rs)</th> <th style="width: 30%;">Equity</th> <th style="width: 15%;">Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>Computer</td> <td style="text-align: right;">115,000</td> <td>Capital-Ayan</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Fixtures</td> <td style="text-align: right;">30,000</td> <td>Capital-Areej</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Merchandise inventory</td> <td style="text-align: right;">40,000</td> <td>Trade payables</td> <td style="text-align: right;">65,000</td> </tr> <tr> <td>Trade receivable</td> <td style="text-align: right;">70,000</td> <td>Accrued expenses</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Bank</td> <td style="text-align: right;">25,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">280,000</td> <td>Total</td> <td style="text-align: right;">280,000</td> </tr> </tbody> </table> <p>On June 30, 2022 both the partners decided to revalue assets and liabilities as under:</p> <ul style="list-style-type: none"> Computer was valued at Rs 108,000 The value of fixtures increased by Rs 3,000 Merchandise inventory to be reduced to Rs 35,000 Trade receivables has been reduced by 10% <p>Prepare the revised Balance sheet after the revaluation on June 30, 2022.</p>	Assets	Amount (Rs)	Equity	Amount (Rs)	Computer	115,000	Capital-Ayan	100,000	Fixtures	30,000	Capital-Areej	100,000	Merchandise inventory	40,000	Trade payables	65,000	Trade receivable	70,000	Accrued expenses	15,000	Bank	25,000							Total	280,000	Total	280,000
Assets	Amount (Rs)	Equity	Amount (Rs)																														
Computer	115,000	Capital-Ayan	100,000																														
Fixtures	30,000	Capital-Areej	100,000																														
Merchandise inventory	40,000	Trade payables	65,000																														
Trade receivable	70,000	Accrued expenses	15,000																														
Bank	25,000																																
Total	280,000	Total	280,000																														
SLO No.	9.4.8																																
SLO Text	Illustrate the procedure of preparing statement of financial position (balance sheet) by permanency preference method in report form & compute revaluation.																																
Maximum Marks	5																																
Cognitive Level	A																																
Checking Hints	Give ONE mark for each correct revalued value in the balance sheet Give ONE mark for correct format of balance sheet.																																
Overall Performance	Most of the cohort performed well and scored good marks. Some candidates struggled to grasp the question, but most displayed commendable engagement and effort.																																

Description of Better Responses The cohort's performance in presenting the balance sheet is commendable. Exceptional responses incorporated revaluation accounts, showcasing a deep understanding of the topic. These responses also allocated revaluation losses among partners thoughtfully.

Images of Better Response

Assets	Amount	Liabilities	Amount
Computer	108,000	Capital Ayan	92,000
Fixtures	33,000	Capital Areej	92,000
Merchandise inventory	35,000	Trade payables	65,000
Trade receivable	63,000	Accured expenses	15,000
Bank	25,000		
	264,000		264,000

Description of Weaker Responses Some candidates misunderstood the question's demand, failing to construct a proper statement of financial position. They generated generic revaluation entries and overlooked revaluation's impact on capital. To improve, candidates should better grasp the question's requirements and incorporate revaluation effects into the capital structure.

Image of Weaker Response

= Revaluation Account 7000
 Computer 7000
 = Fixtures 33000
 Revaluation Account 33000
 = Revaluation Account 5000
 Merchandise Inventory 5000
 = Trade Receivable 77000
 Revaluation Account 77000
 = Bank 280000
 Revaluation Account 28000

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

- Refer to the resource guide for extra resources

Any Additional Suggestion

Question No. 8

Question Text

The following realisation account has been taken from the records of Alpha Associates at the time of the dissolution of the firm.

Realisation Account			
	Amount (Rs)		Amount (Rs)
Trade receivables (accounts receivable)	100,000	Cash	380,000
Merchandise inventory	50,000		
Fixtures	200,000		
Gain on realisation	30,000		
Total	380,000	Total	380,000

Gain is to be distributed between two partners, Crown and Expert at 33.33% and 66.66% each, respectively.

Based on the given realisation account, prepare the necessary general entries that would have resulted in the given realisation account.

SLO No.

8.6.6

SLO Text

Record the general journal entries for liquidation of partnership.

Maximum Marks

5

Cognitive Level

A

Checking Hints

Give ONE mark for each correct transaction (FOUR required).
Give ONE mark for correct amount of distribution of gain on realisation.

Overall Performance

The question intrigued candidates, leading to well-constructed general ledger entries. Most of them scored above average, showing a strong grasp of the subject. Most of the candidate met expected standards, displaying commendable competency.

Description of Better Responses

Better responses highlight good understanding of the realisation account concept during liquidation, structuring entries effectively. However, some good performing responses omitted the closing entry, either merging it with the capital account or allocating gains among partners. Both approaches received credit.

Image of Better response

<p>Realisation a/c (Dr) 100,000</p> <p>Trade Receivables (Cr) 100,000</p>	<p>Realisation a/c (Dr) 50,000</p> <p>Merchandise (Cr) 50,000</p>
<p>Realisation a/c (Dr) 200,000</p> <p>Fixtures (Cr) 200,000</p>	<p>Gain on realisation (Dr) 30,000</p> <p>Crown 9,999</p> <p>Expert 19,998</p>
<p>cash 380,000</p> <p>Realisation A/c 380,000</p>	

Description of Weaker Responses	Weaker responses highlight that candidates' weak understanding of realisation account and they are unable to calculate that correctly and some struggled in the general entries of realisation account as well.
--	---

Images of Weaker response	Particulars	PR	Debit	Credit
	1 Trade receivable		100,000	
	Sales			100,000
	2 Merchandise inventory		50,000	
	Cash			50,000
	3 Fixtures		200,000	
	Cash			200,000
	4 Gain on realisation		30,000	
	Cash			30,000
			380,000	380,000

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

Any Additional Suggestion
 Teachers should practice transferring of the realisation account's ending balance to the gain/ loss on realisation account. This step is pivotal in comprehending financial outcomes during realisation.

Question No. 9

Question Text	<p>Complete the given table by classifying the various items into respective activities of cash flow statement.</p> <p>(Note: The first classification has been done for your assistance).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Item</th> <th style="width: 50%;">Activity of Cash Flow Statement</th> </tr> </thead> <tbody> <tr> <td>Gain on Disposal of Building</td> <td style="text-align: center;">Operating Activity</td> </tr> <tr> <td>Cash dividend paid</td> <td></td> </tr> <tr> <td>Doubtful debt expense</td> <td></td> </tr> <tr> <td>Interest paid on bank loan</td> <td></td> </tr> <tr> <td>Payment against purchase of land</td> <td></td> </tr> <tr> <td>Increase in merchandise inventory</td> <td></td> </tr> </tbody> </table>	Item	Activity of Cash Flow Statement	Gain on Disposal of Building	Operating Activity	Cash dividend paid		Doubtful debt expense		Interest paid on bank loan		Payment against purchase of land		Increase in merchandise inventory	
Item	Activity of Cash Flow Statement														
Gain on Disposal of Building	Operating Activity														
Cash dividend paid															
Doubtful debt expense															
Interest paid on bank loan															
Payment against purchase of land															
Increase in merchandise inventory															
SLO No.	9.4.12														
SLO Text	List the main elements of a cash flow statement.														
Maximum Marks	5														
Cognitive Level	U														
Checking Hints	Give ONE mark for each correct classification (FIVE required).														
Overall Performance	Overall majority of candidates scored full marks, and the rest showed commendable efforts, resulting in satisfactory overall performance.														
Description of Better Responses	Better responses showed candidates' strong understanding of categorising elements in the cash flow statement. They clearly differentiated between operating, investing, and financing activities.														
Image of Better Response	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Item</th> <th style="width: 50%;">Activity of Cash Flow Statement</th> </tr> </thead> <tbody> <tr> <td>Gain on Disposal of Building</td> <td style="text-align: center;">Operating Activity</td> </tr> <tr> <td>Cash dividend paid</td> <td style="text-align: center;">Financing Activity</td> </tr> <tr> <td>Doubtful debt expense</td> <td style="text-align: center;">Operating Activity</td> </tr> <tr> <td>Interest paid on bank loan</td> <td style="text-align: center;">Financing Activity</td> </tr> <tr> <td>Payment against purchase of land</td> <td style="text-align: center;">Investing Activity</td> </tr> <tr> <td>Increase in merchandise inventory</td> <td style="text-align: center;">Operating Activity</td> </tr> </tbody> </table>	Item	Activity of Cash Flow Statement	Gain on Disposal of Building	Operating Activity	Cash dividend paid	Financing Activity	Doubtful debt expense	Operating Activity	Interest paid on bank loan	Financing Activity	Payment against purchase of land	Investing Activity	Increase in merchandise inventory	Operating Activity
Item	Activity of Cash Flow Statement														
Gain on Disposal of Building	Operating Activity														
Cash dividend paid	Financing Activity														
Doubtful debt expense	Operating Activity														
Interest paid on bank loan	Financing Activity														
Payment against purchase of land	Investing Activity														
Increase in merchandise inventory	Operating Activity														
Description of Weaker Responses	Weaker responses showed candidate weaker understanding of activities of cashflow statement that is why they were unable to identify the correct activity which was required in the question.														

Image of Weaker Response	Item	Activity of Cash Flow Statement
	Gain on Disposal of Building	Operating Activity
	Cash dividend paid	Operating activity
	Doubtful debt expense	Financing activity
	Interest paid on bank loan	Operating activity
	Payment against purchase of land	Financing activity
	Increase in merchandise inventory	Investing activity

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom

Any Additional Suggestion

Question No. 10a	
Question Text	a. Explain the concept of 'share premium' with respect to company accounts. (1 Mark) <hr/> <hr/>
SLO No.	9.3.2
SLO Text	Explain and describe briefly purpose and background of retain explain the following with reference to issuing of shares: <ol style="list-style-type: none"> shares and its types (preference and ordinary) par value of share shares premium and shared discount shares application money underwriters and underwriter's commission types of capital (authorised capital and issued share capital) shareholder equity over subscription and under subscription preliminary expenses; ed earning,

Maximum Marks	1	
Cognitive Level	U	
Checking Hints	Give ONE mark for explaining the concept of share premium. If the candidate explains by giving example, mark should be awarded.	
Overall Performance	Overall, most of candidates accurately explained share premium as the amount received by the company exceeding its par value. Most conveyed this concept effectively. To improve, they could incorporate deeper examples or practical applications to elevate their responses academically. Overall, the cohort demonstrated a commendable understanding of the topic.	
Description of Better Responses	Better responses highlight the good understanding of share premium and they correctly explain that.	
Image of Better Response	<p style="text-align: center;"><i>When company issue shares more than the face value is known as share premium due to good reputation of company</i></p>	
Description of Weaker Responses	The cohort's responses on share premium need improvement. Some were unclear, explaining par value instead. Candidates should focus on key aspects like its role in market value, accounting treatment, and capital raising.	
Image of Weaker Response	<p style="text-align: center;"><i>Share premium is the face value of the account</i></p>	
How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom
Any Additional Suggestion		

Question No. 10b

Question Text	<p>b. At the end of a financial year, Super Stone Limited showed the following details:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Retained earnings as on December 31,</td> <td style="text-align: right;">Rs 118,000</td> </tr> <tr> <td>Net income from profit and loss account for the year</td> <td style="text-align: right;">Rs 190,000</td> </tr> <tr> <td>Transferred to reserves for contingencies</td> <td style="text-align: right;">Rs 20,000</td> </tr> <tr> <td>Transferred to reserves for plant extension</td> <td style="text-align: right;">Rs 32,000</td> </tr> </table> <p>i. Prepare the retained earnings account for Super Stone Limited. (2 Marks)</p> <p>ii. Name the balancing element calculated in part (i). (2 Marks)</p>	Retained earnings as on December 31,	Rs 118,000	Net income from profit and loss account for the year	Rs 190,000	Transferred to reserves for contingencies	Rs 20,000	Transferred to reserves for plant extension	Rs 32,000								
Retained earnings as on December 31,	Rs 118,000																
Net income from profit and loss account for the year	Rs 190,000																
Transferred to reserves for contingencies	Rs 20,000																
Transferred to reserves for plant extension	Rs 32,000																
SLO No.	9.4.6																
SLO Text	Prepare statement change in retained earnings and retained earning account																
Maximum Marks	4																
Cognitive Level	A																
Checking Hints	<p>a. Given ONE mark for every TWO correct posting (FOUR required). (Note: No mark will be awarded for ONE correct posting.)</p> <p>b. Give ONE mark for naming the balancing element. Give ONE mark for calculating the missing amount.</p>																
Overall Performance	The overall performance of candidates was good and they scored full marks. However, some attempts were incorrect.																
Description of Better Responses	Better responses demonstrated candidates' proficiency in establishing a retained earnings account and accurately incorporating necessary adjustments. Many identified the missing elements as dividend payable or the retained earnings balance, reflecting a solid grasp of fundamental accounting principles, indicating a strong foundation for future academic success in this subject.																
Image of Better Response	<p>i) opening retained ea Retained Earning</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Reserve for contingencies</td> <td style="width: 10%; text-align: right;">20,000</td> <td style="width: 50%; border-right: 1px solid black;">Bld balance</td> <td style="width: 10%; text-align: right;">118,000</td> </tr> <tr> <td style="border-right: 1px solid black;">Reserve for plant extension</td> <td style="text-align: right;">32,000</td> <td style="border-right: 1px solid black;">Net income</td> <td style="text-align: right;">190,000</td> </tr> <tr> <td style="border-right: 1px solid black;">Retained earning ending</td> <td style="text-align: right;">256,000</td> <td style="border-right: 1px solid black;"></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td style="text-align: right;">308,000</td> <td style="border-right: 1px solid black;"></td> <td style="text-align: right;">308,000</td> </tr> </table> <p>ii) Ret Retained earning ending balance.</p>	Reserve for contingencies	20,000	Bld balance	118,000	Reserve for plant extension	32,000	Net income	190,000	Retained earning ending	256,000				308,000		308,000
Reserve for contingencies	20,000	Bld balance	118,000														
Reserve for plant extension	32,000	Net income	190,000														
Retained earning ending	256,000																
	308,000		308,000														
Description of Weaker Responses	Several areas for improvement are evident. Many candidates generated retained earnings statements instead of employing the required retained earnings ledger. A few responses inaccurately portrayed the adjustments' effects and encountered difficulties in computing the equilibrium element.																
Images of Weaker response	Image (i)																

(i) Retained earnings	118 000
Net income	190,000
Transferred to reserve	20,000
	<u>328,000</u>

(ii) Share premium

Image (ii)

Dr	Retained earning A/c	Cr
Reserves for contingencies 20000	P/L Ac	140,000
Reserves for plant extension		

How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom
Any Additional Suggestion		

Question No. 11

Question Text

The following trial balance has been taken from the records of Shah Limited as on June 30, 2022.

S. No.	Account Title	Debit	Credit
1	Machinery	500,000	
2	Accumulated depreciation-Machinery		120,000
3	Building	800,000	
4	Accumulated depreciation-Building		210,000
5	Merchandise inventory on July 01, 2021	115,000	
6	Trade receivables (accounts receivable)	230,000	
7	Cash and bank	65,000	
8	Bank loan		400,000
9	Trade payables (accounts payable)		195,000
10	Retained earnings on July 01, 2021		701,000
11	Sales revenue		810,000
12	Commission income		90,000
13	Purchases	610,000	
14	Insurance expense	50,000	
15	Salaries and wages expense	60,000	
16	Utilities expense	96,000	
	Total	2,526,000	2,526,000

Data for adjustment as on June 30, 2022 is as under:

- Merchandise inventory amounted to Rs 310,000
- Salary voucher of Rs 12,000 has been mistakenly omitted from the books
- Utility expense amounted to Rs 9,000 for the month of July 2022, and has been paid in advance
- Unearned commission income amounted to Rs 5,000 p.a.
- Depreciation on the building is to be charged at 5% p.a. by the straight line method
- Depreciation on machinery is to be charged at 10% p.a. by the diminishing balance method
- 7% p.a. Interest on bank loan is outstanding
- Tax rate applicable to the company is 20% p.a.

Using the given information, prepare the classified income statement for Shah Limited for the year ended June 30, 2022.

SLO No.

9.4.3

SLO Text

Prepare income statement of a joint stock company

Maximum Marks

10

Cognitive Level

A

Checking Hints

Marks have been mentioned in the possible answer grid (Ten required).
 Marks distribution as per grid.
 (1 mark for amount of CGS, 1 mark for GP, 1 mark for each adjustment in operating expense {FOUR required}, one mark for correct operating expense amount, one mark for commission income, one mark interest bank loan and one-mark corporate tax)
 Deduct TWO marks if candidates use other than the classified income statement.

Overall Performance	Overall response highlight most of candidates did not follow the correct income statement format for a joint stock company, leading to subpar performance. Weak responses wrongly prepared a statement of retained earnings instead of a retained earnings ledger. Only a few candidates correctly handled adjustments and balanced the statement. Strengthening adherence to formatting guidelines and emphasising adjustment comprehension would improve performance.																																																															
Description of Better Responses	Better responses highlight that candidate have correctly calculated gross profit, other income, and expenses..																																																															
Image of Better Response	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Net Sales</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">810,000</td> </tr> <tr> <td>less - Cost of good sold.</td> <td></td> <td></td> </tr> <tr> <td> Purchase.</td> <td style="text-align: right;">610,000</td> <td></td> </tr> <tr> <td>add. Opening Inventory</td> <td style="text-align: right;">115,000</td> <td></td> </tr> <tr> <td>Cost of goods available for sale</td> <td style="text-align: right;">725,000</td> <td></td> </tr> <tr> <td>less - closing inventory</td> <td style="text-align: right;">(310,000)</td> <td></td> </tr> <tr> <td>Cost of good sold.</td> <td></td> <td style="text-align: right;">(415,000)</td> </tr> <tr> <td>Gross Income / Profit</td> <td></td> <td style="text-align: right;"><u>395,000</u></td> </tr> <tr> <td>less - General, administration and selling Expense.</td> <td></td> <td></td> </tr> <tr> <td> Insurance Expense</td> <td style="text-align: right;">50,000</td> <td></td> </tr> <tr> <td> Salaries Expense</td> <td style="text-align: right;">72,000</td> <td></td> </tr> <tr> <td> Utility Expense</td> <td style="text-align: right;">87,000</td> <td></td> </tr> <tr> <td> Depreciation (Building)</td> <td style="text-align: right;">40,000</td> <td></td> </tr> <tr> <td> Depreciation (Machinery)</td> <td style="text-align: right;">50,000</td> <td></td> </tr> <tr> <td>Total General Expense</td> <td></td> <td style="text-align: right;">(299,000)</td> </tr> <tr> <td>Operating Income before tax and interest-</td> <td></td> <td style="text-align: right;">96,000</td> </tr> <tr> <td> tax</td> <td></td> <td style="text-align: right;">(19,200)</td> </tr> <tr> <td> Interest</td> <td></td> <td style="text-align: right;">(28,800)</td> </tr> <tr> <td>Operating Income After tax and interest</td> <td></td> <td style="text-align: right;">48,000</td> </tr> <tr> <td>Other Income + Commission</td> <td></td> <td style="text-align: right;">85,000</td> </tr> <tr> <td>Net Income (EAIT)</td> <td></td> <td style="text-align: right;"><u>133,000</u></td> </tr> </table>	Net Sales		810,000	less - Cost of good sold.			Purchase.	610,000		add. Opening Inventory	115,000		Cost of goods available for sale	725,000		less - closing inventory	(310,000)		Cost of good sold.		(415,000)	Gross Income / Profit		<u>395,000</u>	less - General, administration and selling Expense.			Insurance Expense	50,000		Salaries Expense	72,000		Utility Expense	87,000		Depreciation (Building)	40,000		Depreciation (Machinery)	50,000		Total General Expense		(299,000)	Operating Income before tax and interest-		96,000	tax		(19,200)	Interest		(28,800)	Operating Income After tax and interest		48,000	Other Income + Commission		85,000	Net Income (EAIT)		<u>133,000</u>
Net Sales		810,000																																																														
less - Cost of good sold.																																																																
Purchase.	610,000																																																															
add. Opening Inventory	115,000																																																															
Cost of goods available for sale	725,000																																																															
less - closing inventory	(310,000)																																																															
Cost of good sold.		(415,000)																																																														
Gross Income / Profit		<u>395,000</u>																																																														
less - General, administration and selling Expense.																																																																
Insurance Expense	50,000																																																															
Salaries Expense	72,000																																																															
Utility Expense	87,000																																																															
Depreciation (Building)	40,000																																																															
Depreciation (Machinery)	50,000																																																															
Total General Expense		(299,000)																																																														
Operating Income before tax and interest-		96,000																																																														
tax		(19,200)																																																														
Interest		(28,800)																																																														
Operating Income After tax and interest		48,000																																																														
Other Income + Commission		85,000																																																														
Net Income (EAIT)		<u>133,000</u>																																																														
Description of Weaker Responses	The cohort's performance analysis reveals a widespread challenge in grasping the income statement format. Some weaker responses even prepared the statement of financial position instead, due to confusion. In a few instances, candidates solely created adjusting entries, overlooking the income statement. To improve performance, focus on clarifying the income statement's structure, differentiating it from the statement of financial position, and promoting accurate application of accounting principles.																																																															

Image of Weaker Response

Sales		810000
Less cost of Goods sold		
Merchandise (beg)	115000	
Add: Purchases	61000	
Total purchases	176000	
Less Closing	(31000)	
Total purchases		(145000)
Gross Profit		665000
Less: Operating exp		
Salaries exp	60000	
Utilities exp	87000	
Unearned commission	95000	
Dep exp Building	59000	
Dep exp machinery	38000	
Total Operating exp	329000	(329000)
Add: Retained earning	701000	(733900)
Net Income		(68900)

How to Approach SLO

- Understand the expectations of the command words
- Look at the cognitive level
- Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating)
- Go through the past paper questions on that particular concept
- Refer to the resource guide for extra resources

Pedagogy** Used for that SLO

- Concept mapping
- Knowledge Platform videos
- Questioning Technique (Socratic approach)
- Practical Demonstration
- Concept Mapping
- Audio Visual resources
- Think, Pair and Share

** For description of each pedagogy, refer to Annexure A

Assessment Strategies

- Knowledge platform real time assessment.
- Past paper questions
- Knowledge Platform's Learn Smart Classroom

Any Additional Suggestion

Question No. 12

Question Text

Following details are related to inventory records of Gulshan Autoparts for the month of June 2022.

Date	Details	Quantity and Rate
01.06.2022	Balance	1,000 units @ Rs 20 per unit
05.06.2022	Purchases	600 units @ Rs 21 per unit
10.06.2022	Purchases	500 units @ Rs 23 per unit
15.06.2022	Sales	750 units @ Rs 30 per unit
20.06.2022	Sales	800 units @ Rs 29 per unit
25.06.2022	Purchases	1,200 units @ Rs 24.5 per unit

Q.12.

(Total 3 Marks)

If the business follows the periodic inventory system, then by using the first in first out (FIFO) method, calculate the cost of ending inventory as on June 2022.

SLO No.

10.3.4

SLO Text

Compute the cost of ending inventory by FIFO, AVCO under different inventory process system i.e., periodic and perpetual

Maximum Marks

3

Cognitive Level

A

Checking Hints

Give ONE mark for correct computation by FIFO
Give ONE mark for correct ending inventory value
Give ONE mark for correct format of inventory valuation

Overall Performance

The cohort's performance on the inventory valuation question varied. However, some struggled to score any marks, signalling room for improvement in understanding and application. Over 50% performed well, demonstrating a strong grasp of concepts. An issue was the misapplication of the perpetual system instead of the periodic system, underscoring the importance of careful attention to question details. Improving comprehension and precision can yield better results in future assessments.

Description of Better Responses

Better responses highlight candidates' good understanding of this topic, some candidate performance improved by first calculating ending inventory units and then using the FIFO method. Advanced responses showed a clear grasp of periodic vs. perpetual systems and effectively applied the periodic system for computation.

Image of Better Response

$\text{Ending Inventory} = \text{Total Units available for sale} - \text{Sales}$

$= 3300 - 1550 = 1750$

Date	Particulars	Unit	Rate	Total Cost
25.6.22	Purchases	1200	24.5	29400
10.6.22	Purchases	500	23	11500
5.6.22	Purchases	50	21	1050
		1750		41,950

Cost of Ending Inventory = Rs. 41,950

Description of Weaker Responses

Weaker responses highlight candidates' weak understanding of inventory valuation methods, proper use of accounting principles, and distinguishing between cost of sales, ending inventory and perpetual, periodic method.

Image of Weaker Response	$\text{Ending inventory} = \text{Opening balance} + \text{Net Purchase} - \text{Net Sales}$	
	Opening inv	20,000
	Net Purchases	53500
	Less: Net Sales	(45700)
	Closing inventory	<u>27800</u>
How to Approach SLO	Pedagogy** Used for that SLO	Assessment Strategies
<ul style="list-style-type: none"> Understand the expectations of the command words Look at the cognitive level Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating) Go through the past paper questions on that particular concept Refer to the resource guide for extra resources 	<ul style="list-style-type: none"> Concept mapping Knowledge Platform videos Questioning Technique (Socratic approach) Practical Demonstration Concept Mapping Audio Visual resources Think, Pair and Share <p>** For description of each pedagogy, refer to Annexure A</p>	<ul style="list-style-type: none"> Knowledge platform real time assessment. Past paper questions Knowledge Platform's Learn Smart Classroom
Any Additional Suggestion		

Question No. 13	
Question Text	If the business follows the periodic inventory system, then by using the first in first out (FIFO) method, calculate the cost of goods sold for the month of June 2022.
SLO No.	10.3.4
SLO Text	Compute the cost of ending inventory by FIFO, AVCO under different inventory process system i.e. periodic and perpetual
Maximum Marks	3
Cognitive Level	A
Checking Hints	Give ONE mark for correct computation by FIFO Give ONE mark for correct ending inventory value Give ONE mark for correct format of inventory valuation
Overall Performance	The cohort's performance on this question shows a moderate level of achievement. Approximately 40% scored full marks, while 45% received no marks.
Description of Better Response	Most candidates showed a strong understanding of cost of sales calculation, with many using a detailed, step-by-step approach. Some also followed a conventional method of subtracting ending inventory from total goods available for sale. Both approaches had value, but better integration could improve comprehension and application.
Image of Better Response	

Cost of Goods Sold (FIFO)				
Date	Particular	units	PLU	Amount
01-06-22	Balance	1000	20	201000
05-06-22	Purchases	550	21	11550
		1550		31550

Description of Weaker Responses

Some candidates made errors in calculating sales revenue and cost of sales by multiplying sold units with the selling price instead of the correct method of multiplying by the cost per unit. Emphasising the correct procedure of deducting ending inventory from sales will improve accuracy and candidates' understanding of these concepts, leading to better performance.

Image of Weaker Response

Date Units @ Sales amount.

15-06-2022	750	30	750x30=22500	Rs. 22,500
20-06-2022	800	29	800x29=23200	Rs. 23,200
				Rs. 45,700 total sales
				=> Sales - ending inventory = Cost of good sold
				=> 45,700 - 12,200 = Rs. 33,500. Ans

date	Date		Unit	P/unit	Total	
	15.06.22	Sales	750	30	22,500	
	20.06.22	Sales	800	29	23,200	
					45,700	Cost of Sales

How to Approach SLO

- Understand the expectations of the command words
- Look at the cognitive level
- Identify the content that is required to answer that question (both in terms of understanding of concepts and any skills that may be required like analysing or evaluating)
- Go through the past paper questions on that particular concept

Pedagogy Used for that SLO**

- Concept mapping
- Knowledge Platform videos
- Questioning Technique (Socratic approach)
- Practical Demonstration
- Concept Mapping
- Audio Visual resources
- Think, Pair and Share

** For description of each pedagogy, refer to Annexure A

Assessment Strategies

- Knowledge platform real time assessment.
- Past paper questions
- Knowledge Platform's Learn Smart Classroom

• Refer to the resource guide for extra resources		
---	--	--

Any Additional Suggestion		
----------------------------------	--	--

Annexure A: Pedagogies Used for Teaching the SLOs

Pedagogy: Storyboard

Description: A visual pedagogy that uses a series of illustrated panels to present a narrative, encouraging creativity and critical thinking. It helps learners organise ideas, sequence events, and comprehend complex concepts through storytelling.

Example: In a Literature class, students are tasked with creating storyboards to visually retell a novel. They draw key scenes, write captions, and present their stories to the class, enhancing their reading comprehension and fostering their imagination.

Pedagogy: Cause and Effect

Description: This pedagogy explores the relationships between actions and consequences. By analysing cause-and-effect relationships, learners develop a deeper understanding of how events are interconnected and how one action can lead to various outcomes.

Example: In a History class, students study the causes and effects of the Industrial Revolution. They research and discuss how technological advancements in manufacturing led to significant societal changes, such as urbanisation and labour reform movements.

Pedagogy: Fish and Bone

Description: A method that breaks down complex topics into main ideas (the fish) and supporting details (the bones). This visual approach enhances comprehension by highlighting essential concepts and their relevant explanations.

Example: During a Biology class on human anatomy, the teacher uses the fish and bone technique to teach about the human skeletal system. Teacher presents the main components of the human skeleton (fish) and elaborates on each bone's structure and function (bones).

Pedagogy: Concept Mapping

Description: An effective way to visually represent relationships between ideas. Learners create diagrams connecting key concepts, aiding in understanding the overall structure of a subject and fostering retention.

Example: In a Psychology assignment, students use concept mapping to explore the various theories of personality. They interlink different theories, such as Freud's psychoanalysis, Jung's analytical psychology, and Bandura's social-cognitive theory, to see how they relate to each other.

Pedagogy: Audio Visual Resources

Description: Incorporating multimedia elements like videos, images, and audio into lessons. This approach caters to different learning styles, making educational content more engaging and memorable.

Example: In a General Science class, the teacher uses a documentary-style video to teach about the solar system. The video includes stunning visual animations of the planets, interviews with astronomers, and background music, enhancing students' interest and understanding of space.

Pedagogy: Think, Pair, and Share

Description: A collaborative learning technique where students ponder a question or problem individually, then discuss their thoughts in pairs or small groups before sharing with the entire class. It fosters active participation, communication skills, and diverse perspectives.

Example: In a Literature in English class, the teacher poses a thought-provoking question about a novel's moral dilemma. Students first reflect individually, then pair up to exchange their opinions, and finally participate in a lively class discussion to explore different viewpoints.

Pedagogy: Questioning Technique (Socratic Approach)

Description: Based on Socratic dialogue, this method stimulates critical thinking by posing thought-provoking questions. It encourages learners to explore ideas, justify their reasoning, and discover knowledge through a process of inquiry.

Example: In an Ethics class, the instructor uses the Socratic approach to lead a discussion on the meaning of justice. By asking a series of probing questions, the students engage in a deeper exploration of ethical principles and societal values.

Pedagogy: Practical Demonstration

Description: A hands-on approach where learners observe real-life applications of theories or skills. Practical demonstrations enhance comprehension, skill acquisition, and problem-solving abilities by bridging theoretical concepts with real-world scenarios.

Example: In a Food and Nutrition class, the instructor demonstrates the proper technique for filleting a fish. Students observe and then practice the skill themselves, learning the practical application of knife skills and culinary precision.

(Note: The examples provided in this annexure serve as illustrations of various pedagogies. It is important to understand that these pedagogies are versatile and can be applied across subjects in numerous ways. Feel free to adapt and explore these techniques creatively to enhance learning outcomes in your specific context.)

Acknowledgements

The Aga Khan University Examination Board (AKU-EB) acknowledges with gratitude the invaluable contributions of all the dedicated individuals who have played a pivotal role in the development of the POA HSSC-II E-Marking Notes.

We extend our sincere appreciation to Mr Muhammad Affan Siddiquie, Specialist in Commerce at AKU-EB, for taking subject lead during the entire process of e-marking.

We particularly thank to Mr Muhammad Adil Fattani, Principal E-Marker, Erum Jabeen, Senior E-Marker from AKHSS and Sabah Naz Senior E-Marker from Habib Girls' School for evaluating each question's performances, delineating strengths, and weaknesses in candidates' responses, and highlighting instructional approaches along with recommendations for better performance.

Additionally, we express our gratitude to the esteemed team of reviewers for their constructive feedback on overall performance, better and weaker responses, and validating teaching pedagogies along with suggestions for improvement.

These contributors include:

- Abdul Rahim Daudani, Lead Specialist in Commerce, AKU-EB
- Rabia Nisar, Specialist, Assessment, AKU-EB
- Dr Sumera Anjum, Lead Specialist in Biology, AKU-EB
- Munira Muhammad, Lead Specialist, Assessment, AKU-EB
- Zain Muluk, Manager, Examination Development, AKU-EB
- Raabia Hirani, Manager, Curriculum Development, AKU-EB
- Ali Aslam Bijani, Manager, Teacher Support, AKU-EB
- Dr Shehzad Jeeva, CEO, AKU-EB