New Zealand Diploma in Business
Examples of Good Assessment Practice
2013 – Semester 1

400/500 Accounting Principles
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Waikato Institute of Technology – Page 21

510 Introduction to Commercial Law
Bay of Plenty Polytechnic – Page 31

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Eastern Institute of Technology – Page 38

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Reasons for selection:
Assignment 1, Case study is a good assessment for Learning Outcome 1, the purpose of accounting and its relationship to the New Zealand business environment and Learning Outcome 2, key element b) accounting policies. Using a case study avoids the use of simple recall questions and the in depth scenario given allows learners to apply their knowledge.

Assignment 2, Financial Analysis Report also gives learners the chance to apply their knowledge using a case study and a set of accounts relating to a local business with relevant industry averages provided.
School of Business

400 Accounting Principles

Semester 1 2013

Assignment 1

Due date:
Friday 10 May 2013 at 3.00 pm
25% of final grade
Learning Outcome 1:
Students will understand the purpose of accounting and its relationship to the New Zealand business environment.

Key elements
b) The accounting cycle
d) Function of internal controls.
e) The various forms of business ownership within an accounting context.
f) The New Zealand share market:
   • published statistics e.g. daily newspaper.

Learning Outcome 2:
Students will understand accounting policies and prepare financial statements using accrual based accounting for a sole trader and/or a company.

Key elements
a) Purpose, elements and preparation of (from a given list):
   • balance sheet
   • income statement

b) Accounting policies:
   • receivables
   • inventory
   • non-current tangible assets
   • contingent liabilities.

c) Show how transactions affect the accounting equation.

The marks will be allocated on the following basis:

<table>
<thead>
<tr>
<th>Part</th>
<th>Marks</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>18</td>
<td>6.00%</td>
</tr>
<tr>
<td>B</td>
<td>45</td>
<td>15.00%</td>
</tr>
<tr>
<td>C</td>
<td>12</td>
<td>4.00%</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td>25.00%</td>
</tr>
</tbody>
</table>

The answers to the case study should be submitted by the due date with the Marking Schedules included in the assignment.
Part A: Setting up a Business and Accounting Policies

18 marks

Cycling is one of the best ways to explore New Zealand. Seeing an opportunity, the Waitaki District Council and MacKenzie District Council worked in partnership to provide the Alps to Ocean Cycle Trail which was officially opened in 2012. Simon, a young entrepreneur and keen cyclist, also saw a further opportunity to start business as a cycle guide on the trail. He was made redundant from Reiker Cycles in September 2012 and plans to place his redundancy money of $20,000 into the business. He plans to guide tourists over the 300km track in five days with stops at popular tourist spots such as the Tekapo Alpine Springs hot pools. In addition he plans to rent bikes to tourists at $150 per person for those travelling from overseas or local tourists who may not have brought a bike with them. He will also provide transportation for tourists from either end of the track back to their vehicles at $100 per trip and will hold a small stock of printed T-Shirts and cycle tops for tourists to purchase as memorabilia of the trip. Package deals will be offered for single riders or groups. For those just requiring transportation or a bike without a guide these will be offered at separate rates.

Most sales will be cash sales with some tourists paying deposits in advance. Simon intends marketing his business to secondary schools and workplaces that may require a guide as part of their outdoor pursuits programme or team building events. Simon will offer credit to these customers.

Simon plans to employ two part time staff, one as a cycle guide and the other as a driver. Simon will work in the business as well completing the bookwork and operating as a guide. With his redundancy money he purchased a container which is located at the start of the cycle trail where tourists make bookings and pay for their requirements. He also purchased 15 mountain bikes and sets of saddle bags, cycle repair equipment and a truck and trailer to transport tourists. He took out a small loan to finance this.
Required:
1.1 Simon will start the business from 1 October 2012. Recommend one business structure Simon could operate this business under. Justify your choice including the factors that influenced your choice.

4 marks

1.2 Simon understands that it is important to keep good records including source documents. Outline two roles of source documents in an accounting system.

1 mark

1.3 Simon has heard a good internal control system is vital to the success of his business. Explain the function of a good internal control system and the three elements an internal control system should focus on.

2 marks

1.4 Simon understands there are two inventory systems for managing inventory. Explain to Simon two advantages of a perpetual inventory system for his business.

2 marks

1.5 Name the other inventory system explaining how it differs from a perpetual inventory system.

2 marks

1.6 The accounting policy for inventory is that “Inventory is valued at the lower of cost or net realisable value”. Explain what is meant by this policy and provide an example from Simon’s business to show the effect on the accounting equation where the net realisable value of inventory is lower than its cost.

3 marks

1.7 Explain to Simon what an allowance for doubtful debts is and how it is calculated. Include in your explanation a reason why it is necessary. Refer to GAAP in your answer.

2 marks

1.8 Simon has heard that assets must be regularly tested for impairment. Explain to Simon, using an example, what is meant by the term impairment.

2 marks

Part B: Financial Statements

45 marks
Simon’s business has been running for six months now. He decided to run the business as a sole trader. He is GST registered on an invoice basis of accounting and uses a perpetual inventory system.

Set out below is a list of ledger balances that appear on the trial balance for the first six months ending 31 March 2013 prior to any balance day adjustments.

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$5,465</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,552</td>
</tr>
<tr>
<td>Advertising</td>
<td>$2,130</td>
</tr>
<tr>
<td>Bank</td>
<td>$12,027</td>
</tr>
<tr>
<td>Bicycles</td>
<td>$23,500</td>
</tr>
<tr>
<td>Bicycle equipment and tools</td>
<td>$7,500</td>
</tr>
<tr>
<td>Capital</td>
<td>$20,000</td>
</tr>
<tr>
<td>COGS</td>
<td>$1,200</td>
</tr>
<tr>
<td>Communication costs</td>
<td>$1,200</td>
</tr>
<tr>
<td>Container</td>
<td>$20,000</td>
</tr>
<tr>
<td>Cycle rental revenue</td>
<td>$3,200</td>
</tr>
<tr>
<td>Drawings</td>
<td>$20,000</td>
</tr>
<tr>
<td>General office expenses</td>
<td>$1,750</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,120</td>
</tr>
<tr>
<td>Insurance</td>
<td>$5,200</td>
</tr>
<tr>
<td>Inventory</td>
<td>$1,260</td>
</tr>
<tr>
<td>Bank loan</td>
<td>$56,000</td>
</tr>
<tr>
<td>Motor vehicle expenses</td>
<td>$2,600</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>$2,300</td>
</tr>
<tr>
<td>T-shirt and cycle top sales</td>
<td>$2,400</td>
</tr>
<tr>
<td>Tour guide fees received</td>
<td>$68,000</td>
</tr>
<tr>
<td>Trailer</td>
<td>$3,500</td>
</tr>
<tr>
<td>Transport fees received</td>
<td>$6,800</td>
</tr>
<tr>
<td>Truck</td>
<td>$30,000</td>
</tr>
<tr>
<td>Wages</td>
<td>$17,200</td>
</tr>
</tbody>
</table>
Recently you met Simon to discuss his financial statements. Following your meeting you find you have to make balance day adjustments based on the following information:

1. Simon purchased a top of the line mountain bike through the business for his own private use, as he could get a better deal. The cost of the mountain bike was $8,500 and is included in the amount for Bicycles in the trial balance.

2. The interest rate on the loan is 8% pa and has been paid to 31 December 2012. No principal repayments were made during this financial year.

3. Included in the tour guide fees are deposits received from Geraldine High School of $150 per student for six students for a trip to be taken in May 2013.

4. PAYE due on the employees' wages on 20 April 2013 is $420.

5. Simon has advised he had a local tourist who had been paying off their trip. He still owed $150 for the trip. The tourist has been made bankrupt and Simon has been advised he will receive 15 cents in the dollar. The rest is to be written off.

6. The insurance account includes the following:
   - Container, bikes and equipment - covers year to 30.09.13 $2,700
   - Public indemnity - covers year to 30.09.13 $1,900
   - Life insurance $600

7. Depreciation is to be calculated for the year:
   - Bicycles, 40% DV per annum
   - Bicycle equipment and tools, 15% SL per annum
   - Container, 8% SL per annum,
   - Trailer, 13% DV per annum
   - Truck, 30% DV per annum
Required:

2.1 Prepare the necessary balance day adjustments for Simon’s business showing the effect on the accounting equation. *Ignore any GST implications.*

10 marks

2.2 Prepare an updated trial balance after the adjustments have been made. You will need to construct the original trial balance and add the adjustments to it to obtain the updated figures.

6 marks

2.3 Prepare the **Income Statement and Balance Sheet**, including working capital, appropriate classifications and the notes to the financial statements for Simon’s business for the six months ending 31 March 2013. Include all three parts of the accounting policies including general and specific policies.

20 marks

2.4 Many of the tools and equipment Simon purchases for his business are individually worth less than $500, however collectively are worth more than $500. Explain, using the definitions of assets and expenses and one GAAP, when the cycle tools and equipment would be treated as an asset and when they would be treated as an expense.

3 marks

2.5 Explain, using an example, one further balance day adjustment, not outlined previously, that would apply to accounting for Accounts Receivable. Use your example to show the effect on the accounting equation.

3 marks

2.6 Explain the difference between depreciation and amortisation using relevant examples.

2 marks

2.7 Find and reference an annual report with contingent liabilities in it and present it in your assignment to show Simon how to include any contingent liabilities he may have in his financial statements in future.

1 mark
Part C – Selecting an Investment  12 marks

Simon is a lucky man. Recently he won $30,000 in lotto and is deciding whether to invest this in the business or whether to invest in the New Zealand Share Market. He has called on you, a financial analyst, seeking advice on whether to invest in the share market and, if so, what company he should invest in.

Required:

3.1 Daily statistics are published in the Timaru Herald and on the New Zealand Exchange website (www.nzx.com.nz) for those companies listed on the New Zealand Share Market. Collect the daily statistics from the NZX website or Timaru Herald for two companies listed on the New Zealand Stock Exchange over a period of a week. Present these in your assignment clearly identifying the two companies you are comparing.

1 mark

3.2 Comment on the performance of the shares over the week for each company. The dividend yield, share prices and the P E ratio must be compared over the week for each company plus any other ratio you consider necessary.

6 marks

3.3 For each company, calculate how many shares Simon could buy with his $30,000 and the dividends he could expect from each company based on the number of shares bought and the latest statistics you have obtained. Round all figures to the nearest whole number or dollar amount.

2 marks

3.4 Recommend whether Simon should invest in one of these companies or whether he should just leave his money in the bank. You will need to obtain current bank interest rates to support your recommendation.

3 marks
400 Accounting Principles

Semester 1 2013

Assignment 2

Due date:
Thursday, 6 June
2013 at 10.15 am

25% of Final Grade
Assignment 2: Financial Analysis Report

Due Date: Thursday, 6 June 2013 at 10.15 am

Weighting: 25% of final grade

This Assignment is designed to assess your understanding of learning outcome 3.

Learning Outcome 3:
Students will analyse and report on business performance for a sole trader or a company.

Key elements
   a) Purpose and limitations of financial analysis.
   b) Calculate ratios and percentages.
   c) Profitability, financial stability and asset utilisation.
   d) Recommendations.
Background

Jackson Sims grew up on a farm but has decided not to follow the family tradition of becoming a farmer. However, he is very interested in animals and animal welfare. The local veterinary clinic in Ashburton has recently been put up for sale and Jackson is interested in purchasing it. His parents are happy to support this career move. The clinic – Ashburton Vet Clinic (AVC) has been operating for ten years. It is based in a rural setting to the south of the town. Jackson sees potential with a growing Ashburton population and more arable land being converted to varied livestock.

However, in order to see that Jackson’s accounting studies at Aoraki Polytechnic have not been wasted; his parents have stated that they want him to prepare a business report assessing the veterinary clinic’s financial performance and position for the past three years. Depending upon his recommendations – they will/will not loan him some of the finance. Jackson is expected to repay the loan and interest payable at a reduced commercial rate.

The veterinary clinic has willingly supplied their Income Statement, Statement of Cash Flows and Balance Sheet for 2011, 2012 and 2013. The current owners of the clinic have also provided some supplementary information about the clinic:

- it is run under a company structure
- the owner and his wife are the only shareholders and they both receive a salary that is included in the administration expenses; they also receive a dividend each year
- there are three staff – two vets and one vet assistant
- the owners deal with the reception and administration
- wages for all five total $520,000 in the 2013 year (administration expenses)
- the clinic was custom built when the practice started and the premises are well maintained
- a mortgage taken out in 2011 has 20 years remaining
- there are four other veterinary clinics within the town itself
- clients require services for family pets and farm animals – the breakdown is 50:50
- revenue received is 80% credit
- a loan of $10,000 was taken out in 2011 and the same amount taken out for each subsequent year to cover refurbishment of the clinic
- the owners have District Council planning permission to add on short-term holiday accommodation for pets – there is sufficient land available to do so
- the owners are prepared to have a one month transition period with the new owner(s)

From his initial review of the financial statements, Jackson is a little concerned about the reasons why the owners are selling since there has been an increase in earnings each year and the dividends paid out to the shareholders has been consistent over the three years.

As you are a good friend of Jackson, he has asked you to help with the writing up of the report. In fact he would like you to complete all of it!
Required:
On the following pages are Ashburton Vet Clinic’s Income Statement, Statement of Cash Flows and Balance Sheet for the past three years.

Write up a report about the business that will provide detail about the business itself, an analysis of the financial statements for the past three years, and a recommendation as to whether the veterinary clinic would be a worthwhile investment for Jackson. The report needs to be written in a business format as it will be read, not only by Jackson’s parents, but by a bank manager when/if he needs further finance.

Your report should include:
1. An executive summary (300 words maximum). (2 marks)

2. An introduction to the report including terms of reference, background information about the business and the procedures used to analyse the company’s performance. (3 marks)

3. Findings, including calculations of ratios for the 2011, 2012 and 2013 years, about the financial performance of the company analysed under the following headings:
   • profitability, (at least eight items),
   • financial stability, (at least five items) including short term and long term financial stability and an analysis of all cash flow activities and overall cash flow; and
   • asset utilisation (at least four items), including managerial efficiency.

The following ratios and percentages must be included as well as any other figures and calculations you consider necessary:
   a) Equity percentage
   b) Working capital in dollar terms
   c) Working capital ratio
   d) Liquidity ratio
   e) Stock turnover
   f) Accounts receivable collection (in days)
   g) Non-current asset turnover
   h) Return on fixed assets
   i) Increase in sales % for 2013 and 2012
   j) Interest cover
   k) Gross profit percentage
   l) Mark up percentage
   m) Selling expense percentage
   n) Administration expense percentage
   o) Financial expense percentage
   p) Net profit percentage
   q) Return on Equity percentage.

You will need to also apply horizontal calculations to key areas, (at least three), of the business to ascertain trends. (20 marks)
4. Analysis and interpretation of the financial ratios commenting on possible reasons for the changes from year to year. Incorporate both positive and negative aspects about the business, including how the business has performed compared to the industry averages. Do not forget the non-financial aspects that might impact on business operations.

(30 marks)

5. Conclusions which should be based on a consolidation of information from all parts of your analysis.

(5 marks)

6. Recommendations on whether the company is a viable operating option to invest in. Your recommendations will need to be justified.

Within the recommendations you need to include suggestions as to how Jackson might understand and improve the business financially if he were to purchase the veterinary clinic including its business strategy for the future.

(12 marks)

Your first task was to go on-line to find some industry average ratios. These are shown below:

<table>
<thead>
<tr>
<th>Industry Average Information</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital ratio</td>
<td>2.16:1</td>
<td>2.15:1</td>
<td>2.17:1</td>
</tr>
<tr>
<td>Liquidity ratio</td>
<td>1.10:1</td>
<td>1.10:1</td>
<td>1.10:1</td>
</tr>
<tr>
<td>Accounts receivable collection period</td>
<td>80 days</td>
<td>76 days</td>
<td>78 days</td>
</tr>
<tr>
<td>Stock turnover</td>
<td>4 times</td>
<td>3 times</td>
<td>2 times</td>
</tr>
<tr>
<td>Non-current asset turnover</td>
<td>2.5 times</td>
<td>2.5 times</td>
<td>2.7 times</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>67%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>Interest cover</td>
<td>10 times</td>
<td>10 times</td>
<td>10 times</td>
</tr>
<tr>
<td>Gross profit percentage</td>
<td>75%</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td>Net profit percentage</td>
<td>35%</td>
<td>31%</td>
<td>31%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>58%</td>
<td>64%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Reference: Veterinary Clinic Business Plans
### Ashburton Vet Clinic

**Income Statement**

for year ending 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>998,000</td>
<td>800,101</td>
<td>621,220</td>
</tr>
<tr>
<td><strong>less Cost of Goods Sold</strong></td>
<td>100,800</td>
<td>77,915</td>
<td>59,400</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>897,200</td>
<td>722,186</td>
<td>561,820</td>
</tr>
<tr>
<td><strong>less Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling expenses</td>
<td>117,000</td>
<td>88,110</td>
<td>44,805</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>601,170</td>
<td>485,355</td>
<td>398,250</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>41,243</td>
<td>31,982</td>
<td>29,214</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>759,413</td>
<td>605,447</td>
<td>472,269</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>137,787</td>
<td>116,739</td>
<td>89,551</td>
</tr>
<tr>
<td>less tax (28%)</td>
<td>38,580</td>
<td>32,687</td>
<td>25,074</td>
</tr>
<tr>
<td><strong>Net Profit after tax</strong></td>
<td>$99,207</td>
<td>$84,052</td>
<td>$64,477</td>
</tr>
</tbody>
</table>

**Breakdown of Financial Expenses:**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount allowed</td>
<td>720</td>
<td>587</td>
<td>614</td>
</tr>
<tr>
<td>Bad debts</td>
<td>10,423</td>
<td>7,000</td>
<td>4,500</td>
</tr>
<tr>
<td>Interest charges</td>
<td>30,100</td>
<td>24,395</td>
<td>24,100</td>
</tr>
</tbody>
</table>
### Ashburton Vet Clinic
**Statement of Cash Flows**
for year ending 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>939,936</td>
<td>805,124</td>
<td>567,796</td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers and employees</td>
<td>808,965</td>
<td>655,799</td>
<td>512,841</td>
</tr>
<tr>
<td>Tax payments</td>
<td>32,687</td>
<td>25,074</td>
<td>22,254</td>
</tr>
<tr>
<td>Interest</td>
<td>30,100</td>
<td>24,395</td>
<td>24,100</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operating Activities</strong></td>
<td>68,184</td>
<td>99,856</td>
<td>8,601</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of non-current assets</td>
<td>24,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Non-current assets</td>
<td></td>
<td>50,000</td>
<td>195,000</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Investing Activities</strong></td>
<td>24,500</td>
<td>-50,000</td>
<td>-195,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Loan</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Mortgage</td>
<td></td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt repayments</td>
<td>20,000</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>33,000</td>
<td>33,000</td>
<td>33,000</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Financing Activities</strong></td>
<td>-43,000</td>
<td>-48,000</td>
<td>277,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase/decrease in cash held</td>
<td>49,684</td>
<td>1,856</td>
<td>90,601</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>29,711</td>
<td>27,855</td>
<td>-62,746</td>
</tr>
<tr>
<td><strong>Closing Balance</strong></td>
<td>79,395</td>
<td>29,711</td>
<td>27,855</td>
</tr>
</tbody>
</table>

© Aoraki Polytechnic 2014
### Ashburton Vet Clinic
#### Balance Sheet
as at 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td>$208,835</td>
<td>$142,629</td>
<td>$91,577</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>$79,395</td>
<td>$29,711</td>
<td>$27,855</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$105,120</td>
<td>$58,200</td>
<td>$70,810</td>
</tr>
<tr>
<td>Inventory</td>
<td>$51,520</td>
<td>$41,705</td>
<td>$38,271</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$236,035</td>
<td>$129,616</td>
<td>$136,936</td>
</tr>
<tr>
<td><strong>Non-current Assets (net)</strong></td>
<td>$350,500</td>
<td>$375,000</td>
<td>$325,000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$586,535</td>
<td>$504,616</td>
<td>$461,936</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$47,320</td>
<td>$31,500</td>
<td>$30,440</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$5,100</td>
<td>$2,800</td>
<td>$4,000</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$1,700</td>
<td>$0</td>
<td>$845</td>
</tr>
<tr>
<td>Taxes payable</td>
<td>$38,580</td>
<td>$32,687</td>
<td>$25,074</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$92,700</td>
<td>$66,987</td>
<td>$60,359</td>
</tr>
<tr>
<td><strong>Non-current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan</td>
<td>$30,000</td>
<td>$20,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$255,000</td>
<td>$275,000</td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td>$285,000</td>
<td>$295,000</td>
<td>$310,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$377,700</td>
<td>$361,987</td>
<td>$370,359</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$208,835</td>
<td>$142,629</td>
<td>$91,577</td>
</tr>
</tbody>
</table>

Balances at 31 March 2010 for:
- Inventory: $27,885
- Accounts receivable: $22,500
- Equity: $60,100
Written Report Format

Your report should have the following:

Title Page
Give your report a descriptive title. Include the paper title, author, recipient and due date.

Executive Summary
A short, (300 words maximum), summary of the key purpose, findings and recommendations of this report. This will give the reader an overview before they read the detailed report. This section is written up last.

Introduction
Includes:
- **Terms of Reference** – this states the rationale, purpose and scope of the report, and identifies who commissioned the report and when it is due. Write this section with the specific needs of your client in mind.
- **Procedures** – the process you used (types of information researched).
- **Background** – any other relevant background information that will help the reader understand the context in which this report is written.

Findings
This section contains the information that you have gathered and summary of your calculations. Organise and group your information logically. Use sub-headings and a decimal numbering system. This section must remain objective.

Analysis and Interpretation
Provides a clear analysis of the actual or potential impact of the findings.

Conclusions
This section draws conclusions based on the findings. It may summarise your analysis. Avoid repeating findings. Do not include any new information.

Recommendations
This section offers clear, specific, practical action statements based on the conclusions. Your recommendations must be realistic and, where relevant, detail who should carry out the action and a suitable timeframe. This section is short and well organised as each recommendation is signalled in the earlier sections.

Signature
Must have a short paragraph before the signature that links back to the terms of reference.

References
This section gives the full details of any source of information quoted or referred to in the report. Give all references in the correct APA style, listed in alphabetical order.

Appendices
An appendix, if used, could contain information relevant to your discussion, but too detailed to include in the body of the report.
Each appendix must be numbered and referred to in the body of the report.
400/500 Accounting Principles

Waikato Institute of Technology

Assignment

**Reasons for selection:**
Using F & P Healthcare for some of the key elements in learning outcome 1, 2 and 3 provides learners with an opportunity to research and apply their knowledge to a real NZ company. This makes the task more interesting and represents good industry practice.
PURPOSE

The main purpose of the course is to enable you to read and understand financial statements and reports. The assignment has been designed to help achieve that.

Part of the nature of tertiary study is the requirement to engage in and demonstrate independent learning. This assignment has as its aim, the requirement that you engage in independent learning. This means you will have to research, you will have to use the library and the internet to find answers to the questions.

DUE DATE

Thursday 23 May 2013 at 1:00 pm

SUBMISSION

Drop off one printed copy in the assignment box (C-Block) by 1:00 pm on due date

Submit a copy of the assignment to Turnitin on due date

Turnitin ID: 6239608
Password: FPH2013

NOTE:

You are strongly advised to aim to have your assignment finished at least a week before the deadline, rather than leaving it to the last minute. Try and answer a number of questions each week. Extensions of time will be given only for exceptional circumstances.

All work submitted must be your own and you will be required to sign a declaration of this when handing in the assignment.
WEIGHTING
This assignment is worth 25% of the total course assessment.

ASSISTANCE
If you have any questions please see your tutor during their consultation times.
Resource Material:

A copy of the 2012 annual report and financial statements for Fisher & Paykel Healthcare Corporation Ltd is available on Moodle for you. This can also be obtained off the web at


Requirement to Research Other Material:

Use this annual report and carry out additional research to help answer the questions. Some of the questions refer directly to the financial statements; other questions will require you to research from textbooks and the internet.

As a guide questions with more marks will require a greater research effort and a longer response.

You must use the library and in particular accounting textbooks. Your Smart, Anwar & Bourke text will be useful; however, it will not be sufficient.

You are required to answer all questions. Do not rewrite the question.

Where questions refer to Fisher & Paykel Healthcare Corporation Ltd, use the Consolidated Statements.

Assignment Components with Marks:

Part A: Accounting and the NZ Business Environment. 13 marks
Part B: Financial Statements 46 marks
Part C: Budgeting 8 marks
Part D: Analysis and Interpretation 33 marks
Total 100 marks
Part A: Accounting and the NZ Business Environment: 13 marks

Question 1: (2 Marks)
For whom is the annual report prepared. Provide specific referenced information here from the New Zealand Framework on why financial statements are prepared.

Question 2: (2 Marks)
Fisher & Paykel Healthcare Ltd is a group of companies. In accounting what is meant by the term “consolidated financial statements”?

Question 3: (2 Marks)
What is meant by the term internal control in accounting and business?

Question 4: (2 Marks)
Identify and explain two internal control activities detailed in the Fisher & Paykel Healthcare annual report.

Question 5: (3 Marks)
Fisher & Paykel Healthcare will be registered for GST.
- When do you register for GST and what does this mean?
- Explain the implications of GST for Fisher & Paykel Healthcare.

Question 6: (2 Marks)
Explain the term “accounting cycle”.
Part B: Accounting Policies and Financial Statements: 46 marks

Question 7: (6 marks)
  a) Why is it necessary for companies such as Fisher & Paykel Healthcare to explain the accounting policies they have used? (3 marks)
  b) How has Fisher & Paykel Healthcare done this in its financial statements? (Reference from annual report) (3 marks)

Question 8: (2 Marks)
  a) Using dollar figures for the 2012 year (Fisher & Paykel Healthcare Group), present the accounting equation $ Assets = $ Liabilities + $ Equity. (1 mark)
  b) Explain why the accounting equation always holds true. (1 mark)

Question 9: (4 Marks)
What is the purpose of a balance sheet (Statement of Financial Position)?

Question 10: (4 Marks)
  a) Explain the measurement rule required by the New Zealand accounting standard (NZ IAS 2), that is used to measure inventory? Provide an example of how this method works. (3 marks)
  b) Has the measurement rule been applied by Fisher & Paykel Healthcare Group. Explain and reference from the annual report. (1 mark)

Question 11: (2 Marks)
Explain and reference from the annual report the accounting policies applied to accounts receivables (debtors) for Fisher & Paykel Healthcare.
Question 12: (4 Marks)
What is meant by the accounting concept of depreciation?

Question 13: (3 Marks)
For Fisher & Paykel Healthcare Group:

a) What method of depreciation is used for property plant and equipment? (1 mark)

b) Why will the company have chosen this particular method of depreciation? (2 marks)

Question 14: (4 Marks)
a) According to accounting standards, what is meant by the term contingent liability? (3 marks)

b) Does Fisher & Paykel Healthcare have any contingent liabilities? Provide details. (1 mark)

Question 15: (4 Marks)
Describe the purpose and importance of the income statement.

Question 16: (4 Mark)
When preparing financial statements what is the effect of incorrectly treating a capital expenditure as revenue expenditure (expense)? Explain with an example.

Question 17: (4 Marks)
a) What is the purpose of the Statement of Changes in Equity? (2 marks)

b) Explain with two examples from Fisher & Paykel Healthcare Group Consolidated Statements of Changes in Equity. (2 marks)

Question 18: (5 Marks)
a) Explain the purpose of the Statement of Cash-flows. (2 marks)
b) Comment on significant changes in Fisher & Paykel Healthcare Group cash-flow activities between 2011 and 2012. 

(3 marks)

Part C: Budgeting 8 marks

The budgeting questions do not relate to Fisher & Paykel Healthcare Group.

Question 19: (3 Marks)
What is a budget and what is the purpose of budgeting? (Your own words)

Question 20: (1 Mark)
What is meant by variance analysis in budgeting?

Question 21: (4 Marks)
The following information relates to Company A for the month of February 2013

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$100,000 (1,000 units)</td>
<td>$92,000 (900 units)</td>
</tr>
<tr>
<td>Materials cost budget</td>
<td>($40,000) 4,000kgs</td>
<td>($36,900) 3,700kgs</td>
</tr>
</tbody>
</table>

a) Comment on the static budget variances from the example above.  

(2 marks)

b) Prepare a flexible sales revenue budget based on sales of 900 units and comment on your findings.  

(1 mark)

c) Why is a flexible budget useful?  

(1 mark)
Part D: Analysis and Interpretation 33 marks

Question 22: (8 Marks)

a) What is meant by financial statement analysis? (3 marks)

b) What is the purpose of financial statement analysis and how is it used? (Explain with an example) (5 marks)

Question 23: (5 Marks)

What are the disadvantages and limitations of ratio analysis? (Describe five)

Question 24: (5 Marks)

A full financial analysis of an entity such as Fisher & Paykel Healthcare Group would involve more than just ratio analysis of the financial statements. Identify five other important issues / sources (other than ratio analysis or comparison of figures) required in fully analysing a company.

Question 25: (4 Marks)

a) What is the purpose of the liquidity ratio “current ratio”? (1 mark)

b) Calculate the current ratio for Fisher & Paykel Healthcare Group for 2011 and 2012 and comment on your findings. Use your textbook formula. (3 marks)

Question 26: (6 Marks)

a) What is the purpose of the ratio “return on equity”? (2 marks)

b) Calculate the Fisher & Paykel Healthcare Group return on equity for 2011 and 2012. Use your textbook formula. (3 marks)

c) Comment on results from ‘b’ above. (1 mark)
Question 27: (5 Marks)
Using your textbook formula and information from the New Zealand Stock exchange:

a) Calculate the Dividend Yield from the final dividend paid for 2012 to Fisher & Paykel Healthcare ordinary shareholders who held shares at the end of the financial year on 31 March 2012.  

(4 marks)

b) Comment on results from ‘a’ above.  

(1 mark)
510 Introduction to Commercial Law

Bay of Plenty Polytechnic

Final Exam

Reasons for selection:
This exam is a good example of how the application questions can be included in a closed book assessment.
NEW ZEALAND DIPLOMA IN BUSINESS

510 INTRODUCTION TO COMMERCIAL LAW

FINAL EXAMINATION

SEMESTER ONE, 2013

TIME ALLOWED: Three hours plus 10 minutes reading time

TOTAL MARKS: 100

WEIGHTING: This examination represents 45% of the total assessment for this subject

MATERIAL ALLOWED:
You may refer to an unmarked copy of CCH “Contract and Commercial Legislation” (Underlining and highlighting is permitted)
Photocopies or internet printed copies of Acts are permitted

INSTRUCTIONS:
1. No student is permitted to leave the examination room during the first or final half hour of the time allowed for the examination.
2. Write in ink.
3. Ensure your student number is on your answer book and loose paper used. DO NOT WRITE YOUR NAME.
4. Begin your answer to each question on a new page. Do not write on the back of the page.
5. Read each question carefully.
6. Answer ALL questions.
7. Quote authorities for your answer wherever relevant.

SUMMARY OF PAPER:

<table>
<thead>
<tr>
<th>Question Number</th>
<th>Topic</th>
<th>Marks</th>
<th>Time Guide (approx mins)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Short Answers</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Problem Solving</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Problem Solving</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Property</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Sale of Goods Act 1908</td>
<td>20</td>
<td>35</td>
</tr>
</tbody>
</table>
NZDipBus 2013 examples of good assessment practice

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<table>
<thead>
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<tbody>
<tr>
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<td>22</td>
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<tr>
<td>7</td>
<td>Problem Solving</td>
<td>6</td>
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<tr>
<td>8</td>
<td>Essay Question</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

**QUESTION ONE**

**SHORT ANSWERS**

**8 MARKS**

a) Briefly explain the equitable remedy of specific performance available to the plaintiff for failure to perform contractual obligations.

(1 Mark)

b) i) Describe the legal relationship of agency and identify the parties to the relationship.

(2 Marks)

ii) Explain two methods how an agency can be created.

(2 Marks)

iii) List three of the duties that an agent owes to their principal.

(3 Marks)

**QUESTION TWO**

**12 MARKS**

MISREPRESENTATION AND THE CONTRACTUAL REMEDIES ACT 1979

Rita is in the process of negotiating the sale of her cafeteria. Mavis is very interested in buying the cafeteria and asks Rita how far away the nearest competition is. Rita replies that, “the nearest cafeteria is 4 kilometres away”. This is actually true, but Rita is also aware that a new cafeteria is to open shortly about 500m down the road.

The sale is concluded and both parties sign the contract of sale and purchase. Mavis pays a deposit of $10,000 to Rita. A few weeks before Mavis is due to take over the business she finds out about the proposed new cafeteria. Mavis feels that her trade will suffer because of the other cafeteria opening and is wondering whether to go through with the purchase.

REQUIRED

Discuss fully the legal implications of the actions of the parties involved in this situation, with specific reference to the law relating to misrepresentation and the provisions of the Contractual Remedies Act 1979.
QUESTION THREE 7 MARKS

MINOR’S CONTRACT ACT 1969

Six months ago David, who is 16, entered into a contract with Rover’s Cool Bikes Limited to purchase a Harley Davidson motorbike. The bike had a retail value of $15,000 but David paid $18,000. He is repaying the bike over 10 years and he has just lost his job. David can no longer keep up the repayments on the bike, made more difficult by the 28% interest rate and the 42% penalty interest if he is two days late in making a payment.

REQUIRED

a) With reference to statute advise the parties as to their legal position. (5 Marks)

b) With reference to statute name one precaution that an adult should take when they intend to do business with a minor? (2 Marks)

QUESTION FOUR 10 MARKS

PROPERTY

a) Classify the following underlined items as realty, choses in action, or choses in possession. Set out your answer in a table with one column titled “property” and one “classification” so it is clear which of the underlined property below your classification is referring to.

Aroha is planning to purchase a house. She finds one in Coronation Street, Mount Maunganui that she is happy with. Aroha pays the vendor with a bank cheque. Aroha raises some of the purchase price by assigning the interest in her life insurance policies to the Bank and selling her shares in Hanover Holdings Limited.

Aroha has plans to become a dog walker and groomer. She has a garage built in the back yard with a specially designed bath to use to wash the dogs in. Aroha also buys some new sofas for the dogs to lie on.

Her business becomes so successful Aroha is thinking of franchising it and designs a logo of a dog which she wishes to trademark. (8 Marks)
b) List two actions a person who has ownership of property can take that a person who has only possession of the property cannot.  

(2 Marks)

<table>
<thead>
<tr>
<th>QUESTION FIVE</th>
<th>SALE OF GOODS ACT 1908</th>
</tr>
</thead>
</table>
| a) A section 21 (Sale of Goods Act 1908) reservation of title clause, also known as a ‘romalpa’ clause allows the seller to retain title to goods which they have handed over to a buyer. On the satisfaction of what condition does the passing of title to the buyer usually depend?  

(1 Mark)

b) With reference to the Sale of Goods Act 1908 advise whether the purchaser in good faith would get good title in the following transaction? 

Karla is selling her $100,000 Bentley. A handsome man who introduces himself as Norris calls to inspect the car. He appears to be a very likeable chap so Karla accepts his personal cheque and he drives away in the Bentley. A week later Karla learns that the cheque has bounced. When she tries to locate Norris at the address he wrote on the back of the cheque she discovers no one by that name or description lives there. Karla reports her car stolen and two weeks later the police locate her Bentley in the possession of Steve. It appears that Steve is a bona fide purchaser with no notice of Norris’s fraud and he paid Norris $110,000.  

(4 Marks)

c) Danny, a farmer owns 500 sheep. Violet calls by and asks to purchase 250 of the sheep. A price was agreed and they arrange for Violet to return a week later to collect them. Danny, selects 250 of them, marks them and put them in a separate paddock. Unfortunately, before Violet comes back to collect the sheep a bush fire breaks out and all the sheep are killed.  

REQUIRED  

With reference to the Sale of Goods Act 1908 advise the parties as to their legal position.  

(7 Marks)

d) Briefly explain two of the implied terms in a contract for the sale of goods under the Sale of Goods Act 1908. To support your answer refer to the legal principles of one case that the courts have considered for each of the implied terms you have stated.  

(8 Marks)
a) Martin travels to Racy Rimu Ltd to purchase a dining room table and chairs. Martin is only interested in buying recycled rimu as he is an environmentalist and does not want to purchase recently felled rimu.

Martin informs the salesperson at Racy Rimu Ltd of his requirements and selects a table and chairs ideal for his needs. The salesperson Kirk informs him that the table is 100% recycled rimu. Martin agrees to buy the table and chairs.

Six months later Martin’s friend, a wood specialist, calls at his house and following an examination of the table and chairs informs him that the chairs are not recycled rimu. He also notices flaws in the wood in several places. When Martin returns to Racy Rimu Ltd to complain the Manager points out a clause in the contract of the sale and purchase which reads, “The provisions of the Consumer Guarantees Act 1993 do not apply to this transaction”.

REQUIRED

Discuss the legal position of the parties with specific reference to the provisions of the Consumer Guarantees Act 1993.

(13 Marks)

b) With reference to the Consumer Guarantees Act state whether the Act applies in the following situations:

i) Leanne purchases a computer on auction from the internet website ‘trade-me’.

(2 Marks)

ii) Leanne has her kitchen drain unblocked by a plumber.

(2 Marks)

iii) Eileen purchases a stove at a garage sale.

(2 Marks)

iii) Kevin purchases timber from Coronation Building Supplies Limited. to build a deck for Sally on the rear of her house.

(3 Marks)
Gail is the manager of a thriving fish market named ‘Fishy Limited’. Sometimes when there is a shortage of cheap fish in New Zealand, Gail imports cat fish from Vietnam to sell. Gail knows that this fish comes from fish farms in the Mekong Delta which is polluted from industrial waste and human effluent.

Fishy Limited is less profitable than it was two years ago so Gail decides to do a survey. The survey reveals that people prefer to buy their fish from a competitor, Fresh Fish to Go Limited as it is advertised and labelled as pure and fresh and that only New Zealand fish are sold on the premises.

Gail is determined to stop this decline in her business and wants to recover some of her lost profits. Gail, therefore decides to relabel the catfish that she imports from Vietnam as ‘Bass’ fish from Australia and proceeds to sell it in her fish market.

**REQUIRED**

a) With reference to statute advise the parties as to their legal position.

(6 Mark)

**END OF EXAM**

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Assignment 2

**Reasons for selection:**
Assignment 2 provided an opportunity to challenge and engage learners with the prescription expectations. It provided an interesting integration of the various learning outcomes, expecting high levels of problem-solving in a realistic situation.
Assignment 2

Semester 2 - 2012

Weighting 40%

All sections of this assignment must be your individual work. You must hand the signed certificate of authenticity to your lecturer, otherwise the assignment will not be marked.

<table>
<thead>
<tr>
<th>Section</th>
<th>Marks</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  Software Analysis and Evaluation</td>
<td>15</td>
<td>9am October 8th 2012</td>
</tr>
<tr>
<td>B  Project Requirements Definition</td>
<td>20</td>
<td>9am October 15th 2012</td>
</tr>
<tr>
<td>C  Database design and development</td>
<td>85</td>
<td>9am November 9th 2012</td>
</tr>
<tr>
<td>D  Word mail merge template and macro</td>
<td>12</td>
<td>9am November 9th 2012</td>
</tr>
<tr>
<td>E  Database Testing</td>
<td>15</td>
<td>9am November 9th 2012</td>
</tr>
<tr>
<td>F  User documentation</td>
<td>20</td>
<td>9am November 9th 2012</td>
</tr>
</tbody>
</table>
Section A – Software Analysis and Evaluation  
Springfield Wine has opened a new retail outlet in the central business district and needs a quicker, more secure and user friendly method of recording wine sales. Currently the owners are responsible for selling wine only at the winery cellar door outlet, and up until now have manually recorded sales, then transferred the records to a spreadsheet when they have time. Until they can afford an accounting system that integrates with EFT POS they need some way of recording sales to wine club customers (who are issued with a Springfield Wine Club card) so that they can track preferences, offer specials and send out regular newsletters to these customers. 
The company has asked you to analyse the problem and give your opinion on the viability of continuing to use an Excel workbook for this. You need to perform a comparison of Excel and Access software and document your recommendation. 
Before you begin, copy and paste the Assignment 2 folder to your working folder. Save all the files created in this assignment to that folder. 
Examine the file Springfield Data.xlsx. This workbook contains all the customer, staff, product and sales data. 
Write a report to Springfield Wines comparing the advantages and disadvantages of continuing to use an Excel workbook for recording sales, with the development of an Access database. 
Outline what steps would be necessary to make the workbook secure, given that it will be used by several different staff members. 
Give your opinion on which of the two Excel or Access would be more appropriate. 
Deliverables: to be uploaded to EIT Online by 9am – October 8th 2012. 
A Word document containing your analysis and evaluation of Excel and Access, plus security recommendations.

Section B – Project Requirements Definition  
After consideration of the consultants reports Springfield Wines has decided they will ask you to develop a database for them. 
They have some requirements (listed below), but you need to study the existing data and the paper form they are currently using to collect sales data, and develop a comprehensive requirements definition. 
Data must be imported into Access from the existing Excel workbook. 
The spreadsheet column names should be used as part of field names, but with database naming conventions applied. 
There should be no redundant data, i.e. the tables must be normalised. 
The database must be secure, staff must not have access to tables and queries. 
User friendly forms are necessary for recording sales and adding new customers, staff and products, as staff have no experience with Access. 
- Checkboxes should be used in place of Yes/No fields, and to prevent errors, 
- Dropdown lists should replace form fields wherever possible. 
- After staff members record a sale they should be able to print an invoice.

All forms and reports must be formatted using Springfield corporate fonts, colours and use the Springfield logo. 
There needs to be a simple way of using the data for a mail merge to send the company’s quarterly newsletter to all customers. 
You will need to produce;
NZDipBus 2013 examples of good assessment practice

- an Entity Relationship Drawing (ERD) of your proposed database produced in Microsoft Visio,
- diagrams of proposed forms

You may ask Springfield Wines (your lecturer) any necessary questions, or clarification of instructions.

**Deliverables: to be uploaded to EIT Online by 9am – October 15th 2012.**

A Word document outlining the requirements definition, containing the ERD of your proposed database produced in Microsoft Visio, and diagrams of all forms.

**Feedback on Sections A and B:**

You will have individual meetings with a Springfield Wines representative (your lecturer) to give feedback and discuss any problems or issues arising from your Software Analysis and Evaluation, and Project Requirements Definition. You may then continue with Section C.

**Section C – Design and develop the database**

Using your requirement definition document (plus marking feedback and comments from your lecturer) to develop the database for Springfield Wines. Required images and fonts are in the Assignment 2 folder. There are some images you can use as a guide on the last page of this document.

1. Import data from Excel to create tables. Edit field names, types and sizes, assign primary keys and create relationships. (17)
2. Create data entry forms for each of the tables, the Order Details should be a Subform for inclusion in the Sales form. Replace field controls with combo boxes where appropriate. (47)
3. Create two queries, the first will be the basis of a report that will create an invoice for each sale, the second will be used for a mail merge that will be used to send out ID cards to new customers. (8)
4. Create a report based on the first query that will be formatted and laid out as a sales invoice. (19)
5. Create a main menu form and adjust settings so that when the database is opened staff only have access to the main menu and forms that the main menu allows them to open. (12)

**Section D – Create Word mail merge template and macro**

1. Open a new Word document, save it as a macro enabled template, named Springfield Newsletter.docm. (13)
2. Use the Springfield Logo.gif and a script type font (dark green) in the template header, and key in the text as shown in the image on the last page of this document. Add a dropdown list to the heading so that the user can choose between Summer, Autumn, Winter and Spring. (13)
3. Record a macro that will insert the file Newsletter Insert.doc (from the Assignment 1 - Task 2 folder) as an object into the template. Name the macro Newsletter_Insert, make it available only in the template. Assign the macro to a button on the Word Quick Access toolbar so that it is available in any document created from your template, by any user. (13)
4. Edit the macro code so that the Newsletter Insert is inserted into the document as a text from file rather than an object. (13)
5. Connect the template to the Springfield Wines database, tblCustomers to enable a mail merge. Insert the relevant merge fields into the template with layout appropriate to a business newsletter. (13)
**Section E – Test the database**  
15 marks

Test document created (in Word or Excel) that can be used for testing purposes. Test document should include everything that needs to be tested, the following list is only a guide to get you started.

- **Relationships**
  - Do they all have referential integrity?
- **Forms**
  - Can you add data to a table using the form? Do all buttons work? Does print button print correct invoice from Sales form?
- **Queries**
  - Do they run correctly? Do parameters and criteria work?
- **Report**
  - Does parameter work? Do the calculated fields work correctly?
- **Mail merge**
  - Does the macro work correctly? Have you edited the VB code to insert text from the file? Does the dropdown list field perform correctly. Does it print?

**Section F – Write user instructions**  
20 marks

1. Create a new Office OneNote notebook, save it to your Assignment 2 folder (not the default My Documents) with an appropriate name.

2. Use the notebook to create a user guide for staff at Springfield Wines to learn how to use the database. Instructions must cover at least the following:
   - Opening the database.
   - Using the main menu.
   - Using each of the forms to add data.
   - Printing an Invoice from the sales form.
   - Using the mail merge template.

You must use screen prints wherever necessary to aid the instruction.

**Deliverables for sections C, D, E and F:**
You must upload to EIT Online by 9am November 9th, a zipped file containing:
- Your completed Access database
- Test Document and your evaluation of the project.
- Word Mail Merge Template
- OneNote notebook containing the user manual

Alternatively, if you have problems uploading a large file you may burn them to a CD or copy them to a USB stick. This must be clearly identified with your name and course and dropped in the assignment box outside the Business and Computing faculty office by 9am November 9th.