

Assessment Schedule – 2014

Accounting: Prepare financial information for an entity that operates accounting subsystems (91176)

Evidence Statement

**Question One
Part A**

<i>Appliances4U</i>				
Income Statement for the year ended 31 March 2014				
	\$	\$	\$	
Revenue				
Sales			950 000	P
Cost of goods sold			400 000	V*
Gross profit			550 000	
Other income				
Rent received			18 000	C
			568 000	
Expenses				
Distribution costs				
Advertising	22 000			P
Sales staff wages	210 000			P
Shop electricity	15 000			P
Shop expenses	30 000			P
Depreciation delivery van	4 500	281 500		C
Administrative expenses				
Bad debts	3 000			S
Doubtful debts	54			C
Depreciation buildings	10 000			S
Office electricity	8 000			P
Office expenses	40 000			P
Office wages	115 000			P
Depreciation office equipment	3 000	179 054		V
Finance Costs				
Interest on mortgage		15 000		V
Total expenses			475 554	
Profit for year			92 446	

P/V/S/C correct stem and figure correctly classified
V* Cost of goods must be treated correctly
F foreign item

Question One – Part B

(a) General Journal

31/3/14	Bad debt	1 000		
	GST	150		
	Accounts receivable		1 150	S

(b) General Ledger

Doubtful debts						
31/3/14	Allowance for doubtful debts	54		54	dr	S
	Income summary		54	0		S

General Journal and General Ledger

V/S/C Journals – correct stem from trial balance where relevant and correct figure (must be a journal entry), and General Ledger appropriate stem and correct figure appropriately balanced including indicator.

Note: Allow for follow-through from Income Statement for figures.

N1	N2	A3	A4	M5	M6	E7	E8
9 correctly classified items Max 5 F	11 correctly classified items Max 4 F	10 grades Max 3 F	11 grades Max 1 F	14 grades Max 1 F	16 grades including 1 grade from Part B No F	18 grades No F Statement must be fit for purpose	19 grades No F Statement must be fit for purpose

N0 = No response; no relevant evidence.

*Adjusted **V/S/C** from schedule:

Note

- Fit for purpose for E8 means profit for year and gross profit stem and figure are reported. This figure must be the result of the correct process.
- Fit for purpose for E7 means profit for year and gross profit are both calculated using the correct process with only ONE correctly named
- Correctly classify evidence from financial statements includes:
 - Classified but incorrect number for an adjusted income/expense
 - Correct number for an adjusted income/expense but classified under wrong heading.
- Correctly classify evidence from journals requires correct stems/debit and credit but incorrect figure.

Question Two – Part A

(a)

Opening accounts receivable	82 000
Plus invoices issued *	790 000
Less discounts allowed *	16 000
Less bad debts *	12 000
Less credit notes issued *	8 000
Less closing accounts receivable	65 000

Cash received from credit customers: \$ 771 000 **C C C**

(b)

<i>Officeworld</i>			
Cash Flow Statement (extract) for the year ended 31 March 2014			
	\$	\$	
Cash receipts			
(Cash) from credit customers	771 000		Vf
Cash sales	400 000		V
Loan	45 000		V
Interest	2 000		V
Total cash receipts		1 218 000	

Cash Flow Statement

C C C correct figure; **C C 5** items correctly treated in working; **C** 4 items correctly treated in working; **S** for correctly using accounts receivables balances and invoices issued OR correct treatment of 3 * with balances reversed

V stem clearly identifies the receipt item or payment item and correct figure

f allow for follow-through from (a)

F foreign item – gain on sale / documents / bad debts / discount / accounts payable / accounts receivable other than figure from (a)

Note

- Payment items included in cash receipts means not fit for purpose

Question Two – Part B

(a) General Journal entries

31/03/14	Office wages	1 200		
	Accrued expense		1 200	V
31/03/14	Depreciation van	8 100		
	Accumulated depreciation van		8 100	S
31/03/14	Income summary	86 200		
	Office wages		86 200	S

(b) General Ledger accounts

Advertising

31/03/14	Balance			30 000	Dr	
	Prepayment		2 000	28 000	Dr	V
	Income summary		28 000	----		S

Prepayments

31/03/14	Advertising	2 000		2 000	Dr	C#
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Drawings

31/03/14	Balance			50 000	Dr	V#
	Capital		50 000	-----		S

General Journal and General Ledger

- V#** Both balances – Advertising and Drawings
- V/S/C** Journal – correct stem from trial balance where relevant and correct figure (must be a journal entry), and General Ledger appropriate stem and correct figure appropriately balanced.
- C#** appropriate stem, correct figure appropriately balanced and ledger not closed

Note

Replacement evidence is from journals only and requires correct stems and correct debit and credit but incorrect figure.

N1	N2	A3	A4	M5	M6	E7	E8
3 grades Max 3 F Or 3 replacement evidence Max 3 F	4 grades Max 3 F Or 4 replacement evidence Max 3 F	6 grades Max 2 F OR 6 grades Part B OR 5 grades plus 2 replacement Max 2F	7 grades Max 1 F OR 7 grades Part B	9 grades Max 1 F	10 grades No F	13 grades No F Statement extract must be fit for purpose	14 grades No F Statement extract must be fit for purpose

N0 = No response; no relevant evidence.

Question Three

Sportstime					
Statement of Financial Position (extract) as at 31 March 2014					
	Note	\$	\$	\$	
Current assets					
Accrued income		600			V
Prepayment		500			V
Inventory		115 000			V
Accounts receivable	1	24 500			V^f
Bank		12 000			P
Office supplies on hand		2 000			P
GST		3 675			C
			158 275		
Non-current assets					
Investments					
Shares in <i>Boottime Ltd</i>	2	23 000			V
Property, plant and equipment					
Total carrying amount	3	77 500			V^f
Intangible Assets					
Goodwill		15 000			P
			115 500		
Total assets				273 775	

P/V/S/C correct stem, correct figure, and correctly classified

V^f figure from 'As at' section from note

F foreign item

Notes to the Financial Statements

Note 1: Accounts Receivable

	\$	
Accounts receivable	25 000	
Less allowance for doubtful debts	500	
	24 500	V C

V awarded for correct stems with figures correctly treated

C awarded for correct figure MUST have earned V

Note 2: Investments

Investments comprise **shares** in **Boottime Ltd**. The current fair value of the shares is **\$24 000**, which is their market value on **31 March 2014 (balance day)**.

V awarded for shares, *Boottime Ltd* and \$24,000

S awarded for current/fair/market value AND date/balance day

Note 3: Property, plant and equipment

	Office Equipment	Shop Equipment		
	\$	\$		
For year ended 31 March 2014				
Opening carrying amount	40 000	48 000		S
Plus additions	0	4 500		S
Disposals	0	(3 000)		S
Depreciation	(10 000)	(2 000)	Total \$	V C
Closing carrying amount	30 000	47 500	77 500	
As at 31 March 2014				
Cost	60 000	59 500		V C
Accumulated depreciation	30 000	12 000	Total \$	V#
Closing carrying amount	30 000	47 500	77 500	C#

V/S/C correct stem (where relevant) – correct figure correctly treated

V# allow follow through based on depreciation figure added to \$20 000 on office equipment and \$10 000 on shop equipment

C# closing carrying amount for “year ended” and “as at” must be equal

N1	N2	A3	A4	M5	M6	E7	E8
6 grades Max 3 F	7 grades Max 3 F	10 grades Max 2 F	13 grades Max 2 F	16 grades Max 1 F	18 grades No F	21 grades No F	23 grades No F
OR 6 correctly classified from Statement Max 3 F	OR 7 correctly classified from Statement Max 3 F					Statement extract must be fit for purpose	Statement extract must be fit for purpose

N0 = No response; no relevant evidence.

Note

Fit for purpose means liabilities are not included as assets.

Cut Scores

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score Range	0 – 7	8 – 14	15 – 20	21 – 24