

**Assessment Schedule – 2015****Accounting: Demonstrate understanding of accounting concepts for small entities (90976)****Evidence**

Question	Sample Evidence	Achievement	Achievement with Merit	Achievement with Excellence			
<b>ONE</b>							
(a)	Bank Building Office equipment Term deposit	Identifies THREE assets.					
(b)	To show the assets, liabilities, and equity for <i>Kids Cuts</i> .	Describes purpose of Statement of Financial Position.					
(c)	The hairdressing chairs were purchased by <i>Kids Cuts</i> in the past. <i>Kids Cuts</i> has exclusive use of the hairdressing chairs that are locked inside their premises. <i>Kids Cuts</i> will use the hairdressing chairs for clients to sit on while their hair is cut, generating income.	Describes asset.	Explains why hairdressing chairs are an asset.	Applies why hairdressing chairs are an asset.			
(d)	The interest on the term deposit of \$50 is owed to <i>Kids Cuts</i> and would be added on to this year's interest received in this year's Income Statement of <i>Kids Cuts</i> , because the interest income belongs to this year.	Describes accrual accounting for interest income.	Explains accrual accounting to Income Statement for interest owed.	Applies accrual accounting to Income Statement for interest owed.			
	Accrued Income of \$50 would be reported in this year's Statement of Financial Position of <i>Kids Cuts</i> as a current asset, as the interest will be received in cash in the next accounting period.	Describes accrual accounting for accrued income.	Explains accrual accounting to Statement of Financial Position for interest owed.	Applies accrual accounting to Statement of Financial Position for interest owed.			
<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
ONE point (of five).	TWO points (of five).	THREE points (of five) at Achievement level.	FOUR points (of five) at Achievement level.	TWO explanations (of three) at Merit level.	THREE explanations (of three) at Merit level.	TWO applications (of three) at Excellence level.	THREE applications (of three) at Excellence level.

**N0** = No response; no relevant evidence.

Question	Sample Evidence		Achievement	Achievement with Merit	Achievement with Excellence		
<b>TWO</b>							
(a)	Assets: The bank decreases by \$900.  Expenses: The wages increase by \$900.		Identifies that bank decreases.  Identifies that wages increases.				
(b)	Hairdressing fees are income for <i>Kids Cuts</i> , because hairdressing fees increase the asset bank from customers paying for their haircuts.  Hairdressing fees will increase profit, which will increase equity.  Hairdressing fees are not a contribution by Alana, the owner.		Describes income.	Explains how hairdressing fees are income.	Applies how hairdressing fees are income.		
(c)	<i>Kids Cuts</i> will report the shampoo and conditioner that cost \$60 in the Statement of Financial Position as drawings to keep the business entity transactions separate from Alana's transactions. The shampoo and conditioner is a personal expense, not a business expense, so it does not belong in the Income Statement of <i>Kids Cuts</i> .		Describes the entity concept.	Explains the entity concept for <i>Kids Cuts</i> .	Applies the entity concept for <i>Kids Cuts</i> .		
(d)	<i>Kids Cuts</i> has allocated the cost of the office equipment (\$3 000) over its useful life of six years so has depreciated it by \$500 per year.		Describes depreciation.	Explains why the office equipment is depreciated.	Applies why the office equipment is depreciated.		
<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
ONE point (of five).	TWO points (of five).	THREE points (of five) at Achievement level.	FOUR points (of five) at Achievement level.	TWO explanations (of three) at Merit level.	THREE explanations (of three) at Merit level.	TWO applications (of three) at Excellence level.	THREE applications (of three) at Excellence level.

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Question	Sample Evidence	Achievement	Achievement with Merit	Achievement with Excellence			
<b>THREE</b>							
(a)	Equity is \$140 000.	Calculates equity, showing working.					
(b)	<i>Kids Cuts</i> follows the period reporting concept by breaking the life of <i>Kids Cuts</i> up into time periods of equal length, in this case preparing the Statement of Financial Position every year. This ensures that the asset, liability, and equity information is timely so that comparisons to other year's Statements of Financial Positions can be made.	Describes period reporting.	Explains period reporting for <i>Kids Cuts</i> .	Applies period reporting for <i>Kids Cuts</i> .			
(c) (i)	The purchase of the building is capital expenditure, as the building is a one-off cost that will benefit <i>Kids Cuts</i> beyond the current year by providing space to run their hair salon.	Describes capital expenditure.	Explains capital and revenue expenditure for <i>Kids Cuts</i> .	Applies capital and revenue expenditure for <i>Kids Cuts</i> .			
(c) (ii)	Window cleaning is revenue expenditure, as it is recurring expenditure that will benefit <i>Kids Cuts</i> only during the current year (every week).	Describes revenue expenditure.					
(d)	The mortgage was set up / contracted with the bank in the past. <i>Kids Cuts</i> has a present obligation to the bank / a contract with the bank that details the \$80 000 it has to repay. When <i>Kids Cuts</i> makes repayments of the mortgage, its bank account decreases.	Describes liability.	Explains why mortgage is a liability.	Applies why mortgage is a liability.			
<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
ONE point (of five).	TWO points (of five).	THREE points (of five) at Achievement level.	FOUR points (of five) at Achievement level.	TWO explanations (of three) at Merit level.	THREE explanations (of three) at Merit level.	TWO applications (of three) at Excellence level.	THREE applications (of three) at Excellence level.

**N0** = No response; no relevant evidence.

### Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 20	21 – 24