

Assessment Schedule – 2019

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

Marker codes

General Journal and General Ledger entries

P **General Journal** – correct stems with correct debit and credit entries, figures may be incorrect but debits = credits; entry does not have extra line items.

General Ledger – balance entry is correctly recorded as “Balance”.

Ps/Pm/Pc **General Journal** one grade for the entire journal entry correct including correct stems, from trial balance where relevant, and correct figures for both the debit and credit entries.

General Ledger appropriate stem, correct figure, correct debit or credit column, correct balancing procedure including balance indicator. Note appropriate stem does not need to be the contra ledger account. It could be a reference to the transaction such as invoice issued. It can be abbreviated such as deprecn.

Closing entries must close the balance on the previous line, balance column may have zero, /, -, or be blank to award the closing entry.

Notes:

- General ledger entries with negative numbers are not marked correct.
- Stems in general journal entries means an account name which must be correct and cannot be abbreviated.
- Appropriate stem in general ledger entries may be the contra account name for the entry or an appropriate reference to the transaction / book transfer. Stems may be abbreviated in general ledger accounts.

Financial Statement entries

P Item with no balance-day adjustment, stem from trial balance, correct figure, correctly classified.

Ps/Pm/Pc Correct figure, correct stem, from trial balance where relevant, correctly classified.

F **Foreign item** – item in the wrong financial statement.

FP - Pfp **Fit for purpose** – see explanations for each question.

ft **Follow through**

Achievement only

A* Where a financial statement entry requiring an adjustment would be correct if the figure(s) were correct – award A*, which contributes to N1, N2 and A3 grades.

When considering **A3** using A* grades, the requirement to have TWO Ps/Pm/Pc grades is **NOT MET** by any ft grades, as the student has not correctly completed the balance day adjustment.

QUESTION ONE

Part A Accounting entries

(a) General journal entry for wedding photo income received in advance.

	Wedding photo income	9 000		Ps
	Income in advance		9 000	
	<i>Wedding photo income received in advance</i>			

Note

- Income in advance can be photo income in advance / wedding income in advance / prepaid wedding income (but not prepayments).

(b) General ledger accounts showing entries at 31 March 2019, including closing entry if relevant.

Family photo income						
31/03/19	Balance			34 300	Cr	
	Accounts receivable		4 000	38 300	Cr	Pc
	Income summary	38 300		0		Pft

Depreciation on printing equipment						
31/03/19	Accumulated depreciation - PE	1 000		1 000	Dr	Pm
	Income summary		1 000	0		Pft

Notes

- Family Photo Income can have Accounts receivable 4 600 in credit with GST 600 in debit for the Pc grade, however 4 000 in credit, followed by 600 in credit is marked as no grade for this entry.
- Accounts receivable cannot be called accrued income or bank because it is an invoice; however, the stem can be invoice(s) (on hand).
- Accumulated depreciation can be abbreviated, can be as little as depreciation, can be printing equipment, cannot be Balance as this is not a balance, must be in both debit and balance columns with Dr as the indicator.
- Income summary needs to correctly close the account.
- No entry is given if the balance column has not been completed.

(c)

Okupu Photography Income Statement (extract) for the year ended 31 March 2019

Photography revenue			
Wedding photo (income)	68 400		Ps
Family photo (income)	38 300	106 700	Pcf
Less photography expenses			
Depreciation on photography equipment	5 600		P
Depreciation on printing equipment	1 000		Pmf
Framing (expenses)	7 700		P
Insurance – photography	1 900		P
Loss on sale of camera lens	100		P
Photo supplies (used)	11 700		P
Second shoot (wages)	7 800		Pc
Software licence (fees)	2 100		P
Travel (expenses)	7 500		P
Website (expenses)	8 400		P
Wedding expo (expenses)	5 400		Pc
		59 200	
Profit from photography services		47 500	Pfp*

Pcf Follow through from (b) if Family Income correctly closed – i.e. debit entry with stem income summary making the account balance zero.

Pmf Follow through from (b) if Depreciation correctly closed – i.e. credit entry with stem income summary making the account balance zero.

Pfp* Profit calculation includes BOTH incomes, separately, and at least EIGHT correctly classified expenses AND does not include interest, bad debts, doubtful debts, office expenses, gross profit or any foreign items. Ignore incorrect figures when determining numbers of incomes and correctly classified expenses present in the statement.

Notes

- A heading “Other Income” above Family Photo Income does not make it wrong
- Classification of expenses
 - any photography expenses classified by the student as Distribution Costs can be marked correct
 - any photography expenses classified as Administration or Finance must be marked incorrect but can count as A* and contribute to the A* Ps/Pm/Pc requirement if correct figure.

N1	N2	A3	A4	M5	M6	E7	E8
6 grades, including A*	7 grades, including A*	10 grades OR 2 Ps / m / c AND 7 A*	11 grades Max 1 F	13 grades Max 1 F	15 grades No F	17 grades No F FP*	18 grades No F FP*

N0 = No response; no relevant evidence.

FP* **E8** – needs to have earned Pfp*

E7 – needs to have earned Pfp* OR income statement includes all correct income and expense items

QUESTION TWO

(a) General journal entry for the wedding expo expenses paid in advance of \$4 025, including GST.

31/03/19	Prepayments	3 500		P*
	Wedding expo (expenses)		3 500	Pm*
	<i>Wedding expo expenses paid in advance</i>			

P* Award for correct entry – two correct stems, correct as to debit / credit, same figure – three stems no grades.

Pm* Award for correct figure only if **P*** is awarded.

Note

- Prepayments can be prepaid (wedding expo) expenses, (wedding expo) expenses paid in advance.

(b) General ledger account showing entries at 31 March 2019, including a closing entry if relevant.

Accounts receivable						
31/03/19	Balance			12 700	Dr	
	Family photo income (+ GST)	4 600		17 300	Dr	Ps
	Bad debts (+ GST)		2 300	15 000	Dr	Ps

Doubtful debts						
31/03/19	Allowance for doubtful debts		200	200	Cr	Pc
	Income summary	200		0		Psf

Notes

- Family Photo Income can be family income, family photo, invoice(s) (on hand).
- Each entry in Accounts Receivable could be entered as two separate entries with the GST separated but the two separate entries would have to both be debit or both credit and correct figures (4 000 and 600 in debit; 2 000 and 300 in credit) and are only awarded one combined grade each.
- The student can gain both grades in Accounts receivable by a \$4 000 debit entry for family photo income, \$2 000 credit entry for bad debts and an 'offsetting' GST entry of \$300 where the final balance is correctly entered as \$15 000 Dr.
- If Accounts receivable is closed the student cannot be awarded the first line in the Accounts receivable note in (c).
- First entry in doubtful debts must be in both the credit and balance columns with Cr indicator (this is not a balance). If the student uses negative numbers in this ledger account, neither grade is awarded.
- Closing entry for doubtful debts must not have accounts receivable or allowance for doubtful debts as the stem and must correctly close the account

(c) **Okupu Photography Note to the financial statements****1. Accounts receivable**

Accounts receivable#	15 000	Pc(f*)	Note
Less allowance for doubtful debts	-300	Pc	Allow ft for allowance for doubtful debts 2% of above figure – can also apply to entry in doubtful debts above
&	14 700	Pfp	

Pc(f*) correct stem with correct figure or ft figure from (b) **provided** Accounts receivable not closed – if Accounts receivable is closed this grade is not awarded as the student has the Accounts receivable balance as zero.

Pfp the note is fit for purpose, correct stems with correct treatment (figures may be incorrect) plus either no stem or (closing) carrying amount – all other stems not fit for purpose. **Pfp** can be awarded if **Pc(f*)** was not because student closed accounts receivable.

Notes

- **#**Accounts receivable stem can be 'Balance' but cannot be Carrying amount or include the word "opening".
- **&** no stem here – only acceptable stems: (closing) carrying amount or "Accounts Receivable" with no other terms.
- If bad debts / doubtful debts / income / other irrelevant information included in the note this a foreign item and the note is not fit for purpose. **Pfp** is not awarded and **ft** to the current assets in (d) is not available.

(d) Current assets section of the Statement of Financial Position.

Okupu Photography Statement of Financial Position (extract) as at 31 March 2019

Current assets			
Accounts receivable (note 1)	14 700		Pf
GST	1 350		Pc
Photo supplies on hand#	2 400		P
Prepayments	3 500		Pmf
Total current assets		21 950	Pfp

Pf correct figure or follow through from note with **correct entries**, including correct treatment of allowance for doubtful debts (figures in note may be incorrect).

Pmf correct figure or follow through from (a) prepayments **debit** figure (no **ft** if prepayments credited in (a)).

Pfp fit for purpose, total includes ALL FOUR current assets and NO other entries – figures for the current assets may be incorrect – doubtful debts or bad debts in here is foreign item, allowance for doubtful debts is not.

(e) Cash received from accounts receivable during April.

		Item			
Add	Balance start	1	15 000	Allow ft from ledger closing balance	
	invoice 4 weddings (18 400 *.75)	2	13 800	Or 18 400 – 4 600	14 375 counts 2 and 3
	Invoice family	3	575		
Sub- tract	Bad debt (2 300 *.75)	4	-1 725	Or 2 300 – 575	
	Balance at end	5	-15 650		
	Cash received		12 000		
Cash received from Accounts Receivable \$12 000					

Award grades (all ps/pm/pc grades) as follows:

- Correct i.e. \$12 000: 3 grades, ignore all working.
- Item 1 ft from (b) plus items 2–5 correctly labelled with correct figures and treatment: 3 grades
- Any four labelled items correct figure and treatment: 2 grades.
- Any three labelled items correct figure and treatment: 1 grade OR any 3 correctly treated stems with incorrect figures 1 grade.
- Any two labelled items correct figure and treatment is A* for awarding N1, N2 and A3 – items can count as a **Ps/Pm/Pc** grade for awarding A3.
- Invoices 14 375 counts as two items.
- \$14 375, \$13 800 and \$1 725 can count towards **Pm/s/c** for awarding **A***.
- No labels no grade except for \$12 000.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades, including A*	5 grades, including A*	7 grades OR 2 Ps / m / c AND 4 A*	9 grades Max 1 F	11 grades Max 1 F	13 grades No F	15 grades No F FP – Pfp awarded in (c) or (d)	16 grades No F FP – Pfp awarded in (c) and (d)

N0 = No response; no relevant evidence.

QUESTION THREE

(a) General journal entry to record the invoice on hand for the new camera lens.

31/03/19	Photography equipment	3 000		P Pc
	GST	450		
	Accounts payable		3 450	
	<i>Invoice on hand for new camera lens</i>			

(b) Photography equipment column of the property, plant and equipment note to the financial statements.

Okupu Photography notes to the financial statements extract

Property, plant and equipment (extract)

	Photography equipment	
For the year ended 31 March 2019		
(Opening) carrying amount	27 800	P
Additions	3 000	Pm
Disposals	(600)	Pm
Depreciation	(5 600)	Ps
(Closing) carrying amount	24 600	
As at 31 March 2019		
Cost #	33 000	Pc
Less accumulated depreciation	(8 400)	Ps
(Closing) carrying amount	24 600	Pfp*

Pfp* Only award for two equal carrying amounts both **correctly** labelled – minimum is “carrying amount”.

Notes

- # Cost is the only stem – every other stem is wrong.
- Balance is not a correct stem for the carrying amounts.
- Additions stem can be purchase equipment/lens, disposal stem can be sold equipment / lens but these stems cannot be add, subtract, purchases, sales by themselves.

(c)

Drawings						
31/03/19	Balance			37 000	Dr	P
	Capital		37 000	0		Ps

Notes

- **Balance entry**
 - 37 000 can also be in the debit column.
 - stem can be bank if 37 000 is in both the debit column and the balance column with Dr.
 - stem cannot be Capital or Drawings.
- **Capital entry**
 - Stem can be equity but cannot be income summary.

(d)

Okupu Photography Statement of Financial Position (extract) as at 31 March 2019		
	\$	
Equity		
(Opening) Capital	42 000	P
Add profit (for the year)	38 400	Ps
Less drawings	(37 000)	P
Closing capital	43 400	Pfp*

Pfp* process is correct profit is added to capital and drawings is subtracted – treatment must be clear, figures may be incorrect, nothing else is present in the calculation.

Notes

- Net profit is acceptable for the profit stem.
- Income summary or gross profit not acceptable for profit stem and **Pfp*** can only be awarded if figure is 38 400 correctly treated – any other figure with income summary, no grade for both profit **Ps** and **Pfp***.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades, including A*	5 grades, including A*	8 grades OR 2 Ps / m / c AND 5 A*	9 grades Max 1 F	11 grades Max 1 F	12 grades No F	13 grades No F FP – Pfp awarded in (c) or (d)	14 grades No F FP – Pfp awarded in (c) and (d)

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 19	20 – 24