

**Assessment Schedule – 2017**

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

**Marking Instructions applied to all Accounting Entries**

**General Journal and General Ledger entries**

**V / S / C**     **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.

**Evidence**

**Question One (a)**

30 / 6 / 17	Sales staff wages	5 000		<b>V</b>
	Accrued expense / Wages due*		5 000	

\* and variations that clearly indicate an expense owing, so not accrued income / prepayment

30 / 6 / 17	Landscaping design fees	76 300		<b>C</b>
	Income summary#		76 300	

# only acceptable term – not profit or profit summary, not capital or drawings

## Question One (b)

<b>Garden4eva</b>				
<b>Income Statement for the year ended 30 June 2017</b>				
<b>Revenue<sup>1</sup></b>				
Sales			910 000	<b>P</b>
Cost of goods sold			430 000	<b>P*</b>
Gross profit			480 000	<b>C</b>
<b>Add Other income</b>				
Landscaping design fees			76 300	<b>V</b>
Interest received			2 250	<b>P</b>
			558 550	
<b>Distribution costs</b>				
Advertising	14 200			<b>C</b>
Sales staff wages	270 000			<b>V</b>
Shop expenses	46 000			<b>P</b>
Shop rent	45 000			<b>P</b>
Website running costs	6 000			<b>P</b>
Depreciation shop fittings	2 500	383 700		<b>S</b>
<b>Administrative expenses</b>				
Bad debts	1 500			<b>S</b>
Insurance	5 500			<b>P</b>
Office supplies used	3 000			<b>P</b>
Office staff wages	115 000			<b>P</b>
Depreciation office equipment	2 000	127 000		
<b>Finance costs</b>				
Interest on loan		1 500		<b>P</b>
<b>Total expenses</b>			512 200	
Profit for year			46 350	

**Income Statement**

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

**P\*** Cost of goods sold must be subtracted.

**V / S / C** Correct figure, correct stem, from trial balance where relevant, correctly classified.

**F** Foreign item – Statement of Financial Position item included.

<sup>1</sup>Revenue heading not needed for Sales / Cost of goods sold. Landscaping fees OK under Revenue, but Gross Profit will be incorrect if it is there, also not fit for purpose. Interest (received) must be under Other Income; Landscaping must be classified – so if candidates starts with no heading and puts Sales and Landscaping, they won't get Landscaping; only Sales and Cost of goods sold, if both correct figure and treatment.

**Question One (c)**

30 / 6 / 17	Income summary or Profit (for the year)	46 350		<b>C<sup>f</sup></b>
	Capital		46 350	

**C<sup>f</sup>** – Compulsory follow through, must be the profit / loss figure from the Income Statement. If a loss, then debit Capital and credit Income summary or Loss (for the year).

N1	N2	A3	A4	M5	M6	E7	E8
7 correctly classified items	9 correctly classified items	12 grades  Max 3 F	13 grades  Max 1 F	15 grades  Max 1 F	17 grades  No F	18 grades  No F FP	20 grades  No F FP

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

Correctly classified items for the award of N1 and N2 only include:

- Correctly classified, but incorrect number for an adjusted expense.
- Correct figure for an adjusted expense incorrectly classified.
- A general journal entry that would be correct if the figures were correct.

**FP** Fit for purpose – Gross Profit correctly calculated and correctly labelled as the difference between Sales and Cost of Goods Sold ONLY; expense classifications used, a profit for year calculated appropriately.

**Question Two (a)****Working:**

	\$	\$
Opening accounts payable	35 000	
Plus invoices received	660 000	<b>695 000</b>
Less:		
Credit notes received	5 000	
Discount received	18 000	
Closing accounts payable	22 000	<b>45 000</b>
Cash paid to suppliers		<b>650 000</b>

Note: There is a maximum of two grades for working.

If \$650 000 not correctly transferred to the Cash Flow Statement, a maximum of 2 grades is awarded.

<b>Wai Jetboat Tours</b>			
<b>Cash Flow Statement (extract) for the year ended 31 March 2017</b>			
	\$	\$	
<b>Cash payments</b>			
Bank fees	1 100		<b>V</b>
Cash paid to suppliers	650 000		<b>CCC</b>
Drawings	80 500		<b>S</b>
Equipment	15 000		<b>V</b>
Insurance	4 500		<b>V</b>
Loan and interest (must include both)	30 000		<b>V</b>
(Other business) expenses	250 000		<b>V</b>
Wages	380 000		<b>V</b>
<b>Total cash payments</b>		1 411 100	

**Cash Flow Statement**

**CCC** Correct figure – Accounts Payable acceptable as the stem.

**CC** 4 items correctly treated in working (Q2(a)).

**C** 3 items correctly treated in working (Q2(a)).

**S** Correct treatment of cash drawings.

**V** Stem clearly identifies the payment item and correct figure.

**F** Foreign item – loss on equipment / documents (one F for all documents included) / discount (one F for one or two discounts included) / accounts receivable / accounts payable other than figure from (a) / drawings \$1 500, \$82 000 or \$85 000. (If included in working for accounts payable, ignore.)

**Note:**

- Watch for internet banking with no reference to expenses – must include expenses as a minimum.
- Loan and interest (repayment) cannot be called Interest on loan.

**Question Two (b)**

31 / 3 / 17	Tour revenue	5 000		<b>V</b>
	Income in advance <sup>1</sup>		5 000	

<sup>1</sup> Revenue in Advance / Tour revenue in advance NOT prepaid revenue or prepayments or “received in advance” alone.

**Question Two (c)**

Tour revenue						
31 / 3 / 17	Balance			1 600 000	Cr	<b>V</b>
	Income in advance	5 000		1 595 000	Cr	
	Income summary	1 595 000		0	Cr	<b>V</b>

Income in advance						
31 / 3 / 17	Tour revenue		5 000	5 000	Cr	<b>V</b>
						<b>C#</b>

**C#** Award only if V awarded and income in advance is NOT closed.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	5 grades	6 grades Max 3 F	7 grades Max 2 F	11 grades Max 1 F	13 grades No F	14 grades No F  FP	15 grades No F  FP

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

**FP** **Fit for purpose** – does not include any cash receipt items in Cash Flow Statement extract, e.g. tour revenue, interest \$1 200.

**Question Three (a)**

31 / 3 / 17	Accrued Income*	1 000		<b>V</b>
	Dividends received		1 000	

\*also Dividends owing / due / accrued or income owing / due / accrued

31 / 3 / 17	Depreciation vans	30 000		<b>C</b>
	Accumulated depreciation vans		30 000	

**Question Three (b)**

<b>GST</b>					
31 / 3 / 17	Balance			2 500	Dr <b>V*</b>
	Accounts Payable / Vodafone <sup>1</sup>	300		2 800	Dr <b>S</b>

<sup>1</sup>Other acceptable stems, but NOT Accrued Expense or Accounts Receivable.

**V\*** not awarded if GST is closed; can have the 2 500 in the debit column as well.

**Question Three (c)**

**Note: Property, plant and equipment (extract)**

	<b>Equipment</b>	
	<b>\$</b>	
<b>For the year ended 31 March 2017</b>		
Opening carrying amount	56 000	
Additions / Purchase(s) / New Equipment	5 000	<b>S</b>
Disposals / Sold (equipment) / Sales	– 1 000	<b>C</b>
Depreciation (expense) (equipment)	– 6 000	<b>V</b>
(Closing) carrying amount	54 000	
<b>As at 31 March 2017</b>		
Cost (no other stem)	75 000	<b>V</b>
Accumulated depreciation (no other stem)	21 000	<b>V</b>
(Closing) carrying amount	54 000	<b>S#</b>

**V / S / C** Correct stem (where relevant) – correct figure correctly treated. Treatment must be clear / not require a calculator to determine.

**S#** (Closing) carrying amount for “year ended” and “as at” must be equal, must be labelled in both places.

**Question Three (d)**

<i>Ice Cream Treat</i>			
Statement of Financial Position (extract) as at 31 March 2017			
	\$	\$	
<b>Current liabilities</b>			
Accounts payable	10 300		<b>S</b>
Accrued expense / Interest owing / due / accrued	1 100		<b>C</b>
Bank (overdraft)	7 000		<b>V</b>
<b>Total current liabilities</b>		18 400	
<b>Non-current liabilities</b>			
Mortgage		220 000	<b>V</b>
<b>Total liabilities</b>		238 400	

**V / S / C** Correct stem, correct figure, and correctly classified.

**Note: Mortgage**

The mortgage has an interest rate of 6% p.a. and a maturity date / due date of 30 September 2025.

**S Note:**

To award the S for the note, must include all highlighted terms.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	5 grades	7 grades	8 grades	12 grades	13 grades	14 grades	15 grades
		Max 2 F	Max 2 F	Max 1 F	No F	No F FP	No F FP

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

**F** Foreign item.

**FP** Fit for purpose – current asset / non-current asset / equity items are not included in the liability classifications (ignore GST).

**Cut scores**

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