

## Assessment Schedule – 2020

### Accounting: Interpret accounting information for entities that operate accounting subsystems (91177)

#### Evidence

Q	Evidence
ONE (a)	By Ana investing \$20 000 in <i>Reka</i> (to purchase solar panels), her equity will increase by a greater percentage than total assets increase, therefore increasing the equity ratio from 0.6:1 to 0:7.1 / Ana has increased the percentage of <i>Reka</i> 's assets she has financed from 60% to 70% by investing more money (to purchase solar panels), increasing her equity while liabilities stay the same, and therefore increasing the equity ratio.
(b)	<p>A reason for the increase in sales growth from 5% to 15% is that <i>Reka</i> is increasing in popularity / sells dairy-free ice cream options / is selling through cafés and restaurants as well as the shop / fruit is sourced/grown locally / fresh fruit ice cream / positive reviews on social media encourage more customers, increasing sales.</p> <p>A reason for the decrease in the distribution expense percentage from 11% to 9% is that Ana / <i>Reka</i> would be paying less for “shop electricity”, as electricity for the shop is now being generated by the sun / solar panels rather than being paid for. This would decrease the distribution expenses, while ice cream sales are growing, further decreasing the distribution cost as a percentage of sales.</p> <p>A reason for the trend in the return on total assets would be that <i>Reka</i>'s growing sales and lower electricity expenses have increased profit by a greater percentage than the increase in assets (from the purchase of solar panels), increasing the return on assets from 8% to 10%.</p> <p>Both the decreasing trend in the distribution cost percentage and the increasing trend in the return on total assets indicate <i>Reka</i> is earning more profit and is generating a better return from sales and assets, hence it is more profitable in 2020 compared to 2019. Increasing sales with decreasing distribution costs percentage and increasing return on assets all indicate <i>Reka</i> is earning more profit.</p>

N1	N2	A3	A4	M5	M6	E7	E8
With <b>minimum</b> / <b>no</b> reference to context, provides ONE description.	With <b>minimum</b> / <b>no</b> reference to context, provides TWO descriptions.	With <b>some</b> reference to context, <b>describes</b> ONE of: <ul style="list-style-type: none"> <li>the equity ratio</li> <li>the increase in sales</li> <li>the trend in the distribution percentage</li> <li>the return on total assets</li> <li>the increase in profitability.</li> </ul>	With <b>some</b> reference to context, <b>describes</b> TWO of: <ul style="list-style-type: none"> <li>the equity ratio</li> <li>the increase in sales.</li> <li>the trend in the distribution percentage</li> <li>the trend in the return on total assets</li> <li>the increase in profitability.</li> </ul>	With reference to context, <b>explains</b> TWO of: <ul style="list-style-type: none"> <li>the equity ratio</li> <li>the increase in sales</li> <li>the trend in the distribution percentage</li> <li>the trend in the return on total assets</li> <li>the increase in profitability.</li> </ul>	With reference to context, <b>explains</b> THREE of: <ul style="list-style-type: none"> <li>the equity ratio</li> <li>the increase in sales</li> <li>the trend in the distribution percentage</li> <li>the trend in the return on total assets</li> <li>the increase in profitability.</li> </ul>	Integrates context into justification of the decision to invest money to purchase solar panels, with linked explanations of the trend in sales, distribution cost percentage, return on total assets, and overall profitability.  Parts of the justification may be weaker or missing.	Integrates context into justification of the decision to invest money to purchase solar panels, with linked explanations of the trend in sales, distribution cost percentage, return on total assets, and overall profitability.

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

Q	Evidence
<b>TWO</b>	<p>The increase in the minimum wage for fruit pickers has meant <i>First Fruit</i> has increased staff wages, which have to be paid with cash from the bank. With the restaurants taking longer to pay their accounts owing (from every 14 days to every 19 days) to <i>First Fruit</i>, Tom has had to use a bank overdraft, which he did not have to before (bank account balance has decreased from \$1 500 (in funds) to \$2 400 overdraft).</p> <p>The age of accounts receivable increasing from 14 days to 19 days is evidence that the restaurant clients are taking longer on average to pay their accounts at <i>First Fruit</i>. It used to take them on average 14 days (a fortnight) and now takes on average 19 days (nearer 3 weeks), so Tom is not receiving cash to pay his workers their weekly wages, meaning he has had to take out an overdraft / his bank balance has further fallen.</p> <p>Kim's idea to open their own organic fruit outlet shop would increase cash sales of <i>First Fruit</i>. This would mean more money in the bank account to pay the fruit pickers / workers their weekly wages. The bank overdraft could be paid off once cash sales are greater than \$2 400. Provided the cash sales through the new shop are greater than the weekly wages for the staff, the bank balance would remain positive.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>With <b>minimum</b> / <b>no</b> reference to context, provides ONE description.</p>	<p>With <b>minimum</b> / <b>no</b> reference to context, provides TWO descriptions.</p>	<p>With <b>some</b> reference to context, <b>describes</b> ONE of:</p> <ul style="list-style-type: none"> <li>• the impact of the minimum wage increase on the bank balance</li> <li>• the age of accounts receivable</li> <li>• the increase in sales from Kim's idea</li> <li>• how the increase in sales would increase / improve the bank balance.</li> </ul>	<p>With <b>some</b> reference to context, <b>describes</b> TWO of:</p> <ul style="list-style-type: none"> <li>• the impact of the minimum wage increase on the bank balance</li> <li>• the age of accounts receivable</li> <li>• the increase in sales from Kim's idea</li> <li>• how the increase in sales would increase / improve the bank balance.</li> </ul>	<p>With reference to context, <b>explains</b> ONE of:</p> <ul style="list-style-type: none"> <li>• the impact of the minimum wage increase on the bank balance</li> <li>• the age of accounts receivable trend</li> <li>• the increase in sales from Kim's idea</li> <li>• how the increase in sales would increase / improve the bank balance.</li> </ul>	<p>With reference to context, <b>explains</b> TWO of:</p> <ul style="list-style-type: none"> <li>• the impact of the minimum wage increase on the bank balance</li> <li>• the age of accounts receivable trend</li> <li>• the increase in sales from Kim's idea</li> <li>• how the increase in sales would increase / improve the bank balance.</li> </ul>	<p>Integrates context into justification of the impacts of the minimum wage and trend in the age of accounts receivable on the bank balance.</p> <p>Justifies how Kim's idea would improve the cash position / bank balance.</p> <p>Parts of the justification may be weaker.</p>	<p>Integrates context into justification of the impacts of the minimum wage and trend in the age of accounts receivable on the bank balance.</p> <p>Justifies how Kim's idea would improve the cash position / bank balance.</p>

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

Q	Evidence
<p><b>THREE</b> <b>(a)</b></p>	<p>A 50% mark-up % means that 50% / half of the cost of operating / running the cinema is added to the cost to determine the selling price, so \$5 (50% of \$10 cost) is added to \$10 cost to get the \$15 selling price for the movie ticket.</p> <p>Food items have a higher mark-up % because they are cheaper. When you add just \$2 to the cost of a drink \$1 to get the selling price (\$3), that's 200% mark-up. When you add \$4.80 to the cost of popcorn \$1.20 to get the selling price (\$6), that's 400%. So even though the amount you are adding in each case (\$2 and \$4.80) is less than the amount added to the movie ticket cost (\$5), the percentage is much greater as the cost price is much lower.</p> <p>OR</p> <p>Movie tickets have a lower mark-up % because the aim is to get moviegoers to come to the movies, so ticket prices are kept a bit lower / have a lower mark-up %. Whereas, once moviegoers are at the cinema, they will buy their popcorn and drinks at the price charged – with a higher mark-up %.</p> <p>The impact of a combo deal on the average mark-up % for drink / popcorn would be a decrease or lower mark-up %, particularly if lots of moviegoers buy the combo instead of individual items of drink / popcorn. The decrease would be because the selling price of the combo (\$7.50) is less than the total of the individual prices of the drink and popcorn added together (\$9). This decreases the margin between the cost and selling price / decreases the mark-up on the combo (which could be calculated as 241%, which is a lot lower than the 400% if people just buy popcorn).</p>
<p><b>(b)</b></p>	<p>Introducing <i>Reka's</i> food stall in the foyer would increase other income commission received as 35% of the ice cream sales will go to <i>Sunflix</i>.</p> <p>If customers switch from popcorn and drinks to <i>Reka's</i> ice cream, this would reduce gross profit on popcorn and drink. So less popcorn and drink including combos would be sold, reducing gross profit. The sales of the organic ice cream do not increase gross profit, as only a commission from their sale is received by <i>Sunflix</i>.</p> <p>Because other income would increase through the commission from <i>Reka</i> ice cream sales, there will be an increase in profit for the year, as <i>Sunflix</i> does not have to pay the expenses related to <i>Reka's</i> food stall.</p>

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<p>With <b>minimum / no</b> reference to context, provides ONE description</p>	<p>With <b>minimum / no</b> reference to context, provides TWO descriptions</p>	<p>With <b>some</b> reference to context, <b>describes</b> TWO of:</p> <ul style="list-style-type: none"> <li>• the mark-up %</li> <li>• the different mark-up percentages for drink / popcorn / movie tickets</li> <li>• the impact of the combo deal on the mark-up %</li> <li>• how the food stall would increase other income</li> <li>• how the food stall would decrease gross profit / decrease sales of popcorn and drink</li> <li>• how the food stall would increase profit.</li> </ul>	<p>With <b>some</b> reference to context, <b>describes</b> THREE of:</p> <ul style="list-style-type: none"> <li>• the mark-up %</li> <li>• the different mark-up percentages for drink / popcorn / movie tickets</li> <li>• the impact of the combo deal on the mark-up %</li> <li>• how the food stall would increase other income</li> <li>• how the food stall would decrease gross profit / decrease sales of popcorn and drink</li> <li>• how the food stall would increase profit.</li> </ul>	<p>With reference to context, <b>explains</b> TWO of:</p> <ul style="list-style-type: none"> <li>• the different mark-up percentages for drink / popcorn / movie tickets</li> <li>• the impact of the combo deal on the mark-up %</li> <li>• how the food stall would increase other income /commission</li> <li>• how the food stall would decrease gross profit / decrease sales of popcorn and drink</li> <li>• how the food stall would increase profit for the year.</li> </ul>	<p>With reference to context, <b>explains</b> THREE of:</p> <ul style="list-style-type: none"> <li>• the different mark-up percentages for drink / popcorn / movie tickets</li> <li>• the impact of the combo deal on the mark-up %</li> <li>• how the food stalls would increase other income /commission</li> <li>• how the food stall would decrease gross profit / decrease sales of popcorn and drink</li> <li>• how the food stall would increase profit for the year.</li> </ul>	<p>Integrates context into justification of the different mark-up percentages and / or the impact of the combo deal on the gross profit percentage.</p> <p>OR</p> <p>Integrates the context into the justification of the impact of introducing a food stall on other income, gross profit / other sales and profit for the year.</p> <p>Parts of the justification may be weaker or missing.</p>	<p>Integrates context into justification of the different mark-up percentages and the impact of the combo deal on the gross profit percentage.</p> <p>AND</p> <p>Integrates the context into the justification of the impact of introducing a food stall on other income, gross profit / other sales and profit for the year.</p>

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

**Cut Scores**

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 8	9 – 14	15 – 19	20 – 24