



2004 Financial Services GA2: Assessment Report

GENERAL COMMENTS

Teachers should ensure they prepare students with good time management skills for this examination. Students should read questions carefully to ensure that full marks are achieved.

Students did particularly well in the following units of competence:

- BSAFIN201A: Prepare and process financial documentation for cash flow and accounting purposes
- BSAFIN304A: Process payroll
- BSAFIN302A: Monitor cash control for accounting purposes.

However, some improvement is required to handle the following units of competence:

- BSAFIN305A: Maintain financial records for reporting purposes
- BSAFIN301A: Maintain daily financial records for accounting purposes
- FNBFIN68A: Prepare reports for management.

These units required students to manually record financial transactions. Further practice is required with the everyday use of bank reconciliation statements, petty cash books, statements of performance and statements of position.

SPECIFIC INFORMATION

BSAFIN201A: Prepare and process financial documentation for cash flow and accounting purposes

Question 1. Using the information on page 2, prepare the deposit slip for all transactions on 22 October 2004 for account number 3456 9087.

Marks	0	1	2	3	4	5	Average
%	0	0	8	52	40	1	3.4

The following information has been collected from Smith and Jones Family Needs Store on 22 October 2004.

SMITH & JONES FAMILY NEEDS STORES 1 REPUBLIC ST, QUEENSTON 6125		
22/10/04	ABN 23 456 456 369	
CASH SUMMARY		
01S	SHOES	\$ 667.45
02W	WOOLENS	\$ 897.65
03H	HABERDASHERY	\$ 178.90
04C	CLOTHING	\$ 489.75
TOTAL		\$ 2233.75

SMITH & JONES FAMILY NEEDS STORES 1 REPUBLIC ST, QUEENSTON 6125	
22/10/04	ABN 23 456 456 369
PLENTYBANK VISA/BANKCARD/EFTPOS	
MERCHANT SUMMARY	
EFTPOS	\$ 895.25
VISA/BANKCARD	\$ 669.60
TOTAL	\$ 1564.85

Cheques were received from:

J Chan, Republik Bank – Westbury	\$45.00
G Reenie, Eastpac – Queenston	\$56.70
R Oyaly, Liberal Bank – Homebay	\$89.35

When Phil Smith cleared the till he had the following cash denominations:

\$100 – \$900, \$50 – \$650, \$20 – \$380, \$10 – \$230, \$5 – \$50, Coin – \$23.75

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Question 3

Marks	0	1	2	3	4	5	Average 2.1
%	14	10	31	42	2	1	

You are required to reimburse the Petty Cash Book on 20 November and record the reimbursement in the Cash Payments Journal on page 7 using cheque 59845.

Date 2004	Chq no.	Voucher no.	Details	G LOCKS		BEDDING EMPORIUM		PETTY CASH BOOK		Postage		Photocopying		Morning Teas		Courier		Sundries	
				Cash Received \$ c	Total Payment \$ c	Amount of GST	Amount excl. GST	\$ c	\$ c	\$ c	\$ c	\$ c	\$ c	\$ c					
Nov 6			Balance b/d	13	65														
7	59713		Reimbursement	86	35														
7		A3201	2 litres milk		2 15	0 0	2 15							2 15					
8		202	4 Express Post Packs		9 35	0 84	8 51	8 51											
9		203	Donation to Starlight Foundation charity		10 00	0 0	10 00											10 00	
9		204	Photocopies of new price list		8 50	0 77	7 73				7 73								
10		205	Vouchers from 'Couriers Please'		19 80	1 80	18 00									18 00			
13		206	1 litre milk		1 45	0 0	1 45							1 45					
13		207	Biscuits for staff		4 25	0 38	3 87							3 87					
14		208	Stamps		7 40	0 67	6 73	6 73											
15		209	Photocopying		2 25	0 20	2 05				2 05								
15		210	Rat poison		5 50	0 50	5 00											5 00	
16		211	'Parcels in a Hurry' couriers		6 60	0 60	6 00									6 00			
					77 25	5 76	71 48	15 23	9 78	7 47	24 00	15 00							
20			Balance c/d		22 75														
				100 00	100 00														
20			Balance b/d	22 75															
20	59845		Reimbursement	77 25															



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**BEDDING EMPORIUM
CASH PAYMENTS JOURNAL**

Date	Particulars	Folio	Chq. No.	Discount Received			Creditors control	Cash purchases	Wages	Sundries	GST paid	Bank
				Creditors control	GST paid	Discount received						
Nov 20	Reimbursement		59845									77.25
	Postage									15.23	1.51	
	Photocopying									9.78	.97	
	Morning teas									7.47	.38	
	Courier									24.00	2.40	
	Donation									10.00		
	Rat poison									5.00	.50	

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Question 4. Use the information in the invoice to answer the following questions.

Marks	0	1	2	3	4	5	Average
%	1	8	11	22	30	28	3.6

TAX INVOICE Invoice No: 231		VALERIES EDIBLE TREATS Bayside Road Port Links 3210 Ph: 03 5642 1236 Email: vet@hotdot.com.au		ABN 43 890 765 214	
SOLD TO: Snug Café 43 Treasury Lane Port Links 3210				DATE: 10 / 11 / 2004	
PARTICULARS	QUANTITY	RATE \$	AMOUNT \$ c		
Chocolate fudge cake	4	5.00	20	00	
Hedgehog slices	12	.60	7	20	
Orange peel muffins	10	.85	8	50	
Caramel fudge muffins	15	1.15	17	25	
Carrot cake	6	6.20	37	20	
SUBTOTAL			90	15	
+ GST 10%			A		
TOTAL DUE			B		
Terms 5/10, net 30 days					

4a. The figure represented by the letter A is
\$9.01

4b. The figure represented by the letter B is
\$99.16

4c. Explain the term ABN.

It is the Australian business registration number which all businesses need to have if they wish to register for GST with the Australian Tax Office.

4d. In which journal of the supplier would the tax invoice be recorded?

Sales Journal

4e. If your order was incorrectly filled, which source document would you use to compare with the order form to identify the discrepancies?

Delivery docket/invoice

BSAFIN302AL: Monitor cash control for accounting purposes

Question 5

You work for The Eyes Have It, a business that supplies optometrists and other eyewear retailers. On 17 October 2004, B Anthony and Associates ordered 17 pairs of 'Changeables' at a value of \$1 394 (plus GST), and 24 leather glasses cases at a value of \$15 each (plus GST).

The goods were supplied on credit, regular terms applied (7/5 net 30 days).

5a. What would be the benefit to B Anthony and Associates of paying within 5 days?

Marks	0	1	Average
%	21	79	0.8

B Anthony and Associates would receive a seven per cent discount.

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5b. If this invoice was paid on 21 October 2004, what would be the full amount? (show workings).

Marks	0	1	2	Average
%	25	29	46	1.2

$$1394 + 139 = 1533.40$$

$$360 + 36 = \underline{396.00}$$

$$1929.40 * 7\% = 135.06$$

$$1929.40 - 135.06 = \$1794.34$$

5c. Explain two differences between an invoice and a statement.

Marks	0	1	2	Average
%	17	16	67	1.5

- an invoice is for an individual sale
- a statement lists all the sales for the month, the opening balance, amounts received from the customer, items returned and discounts given.

5d. Give two reasons why it is important to check carefully the information in customer invoices before they are mailed out.

Marks	0	1	2	Average
%	4	28	69	1.7

- to ensure it goes to the correct address
- to ensure that it has the correct qualities (for example, colour, size and shape)
- to ensure that the correct items and amounts are recorded.

5e. Give one reason why a suitable storage system for all source documents must be maintained.

Marks	0	1	Average
%	19	81	0.8

To allow for:

- easy access
- timely recording
- auditing by the ATO
- retrieval of information
- efficiency
- security.

5f. Name two documents that should be checked each month when drawing up a customer invoice.

Marks	0	1	2	Average
%	28	38	33	1.1

- delivery dockets
- credit notes
- receipts
- order forms.



BSAFIN301A: Maintain daily financial records for accounting purposes

Question 6

Gertrude Green works as a contract gardener. On 30 November 2004 she receives the following bank statement.

<table border="1" style="margin: auto;"> <tr> <td style="text-align: center;">Account Number 063-444 896-0834</td> </tr> <tr> <td style="text-align: center;">Account Title Gertrude Green Greentree Gardening</td> </tr> </table>					Account Number 063-444 896-0834	Account Title Gertrude Green Greentree Gardening
Account Number 063-444 896-0834						
Account Title Gertrude Green Greentree Gardening						
<table border="1" style="margin: auto;"> <tr> <td style="text-align: center;">ABC</td> <td style="text-align: center;">The Ard Banking Company of Melbourne Waverley Branch</td> </tr> </table>					ABC	The Ard Banking Company of Melbourne Waverley Branch
ABC	The Ard Banking Company of Melbourne Waverley Branch					
Date	Details	DR	CR	Balance		
2004 Nov 1	Balance Carried Forward			286 CR		
7	Chq. 553	500		214 DR		
8	Deposit		1137	923 CR		
10	Deposit		520	1443 CR		
15	Deposit		290	1733 CR		
17	Chq. 555	1200		533 CR		
18	Reversing entry	520		13 CR		
21	Chq. 554	3000		2987 DR		
22	Deposit		2023	964 DR		
28	Chq. 557	580		1544 DR		
29	Deposit		100	1444 DR		
31	Gov. Debits Tax	26		1470 DR		

The cash journals for the business for the month of November 2004 were as follows:

Cash Receipts Journal

Date	Details	Rec. No.	Debtors	Services	Sales	Sundries	Bank
2004 Nov 8	Cash fees	CRR		1137			1137
9	N Mansell	011	520				520
15	Sale of plants	012			290		290
22	Cash fees	CRR		2023			2023
27	N Mansell	013	800				800
28	Cash refund	014				100	100
	Dishonoured chq	b/s	(520)				(520)
			800	3160	290	100	4350

Cash Payments Journal

Date	Details	Chq No.	Creditors	Plants		Sundries	Bank
2004 Nov 4	Plant mulch	553	500				500
10	Camelia trees	554		3000			3000
16	Drawings	555				1200	1200
21	Manure	556	1000				1000
26	Shrubs	557		580			580
	Govt debits tax					26	26
			1500	3580		1226	6306

Additional information:

- The bank notified Gertrude that the cheque deposited on 10 November was dishonoured.
- The bank balance according to the business records as at 31 October 2004 was \$286.00 DR.

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6a. Complete the Cash Receipts and Cash Payments records. Total the columns and update Greentree Gardening's record of the bank balance.

Marks	0	1	2	3	4	Average
%	25	13	29	14	19	1.9

6b. Complete the balances missing in the Bank Statement.

Marks	0	1	2	Average
%	20	10	70	1.5

6c. Using either the T-format or columnar format provided, complete the Bank Account in the ledger for Greentree Gardening.

Marks	0	1	2	3	Average
%	27	13	21	39	1.7

T-FORMAT

Bank Account

Date	Details	Amount	Date	Details	Amount
Nov 1	Balance	286	Nov 30	Cash Payments	6306
Nov 30	Cash Receipts	4350			
Nov 30	Cl. Balance	1670			
		6306			6306
			Dec 1	Balance	1670

OR

COLUMNAR FORMAT

Bank Account

Date	Particulars	Folio	Debit	Credit	Balance
Nov 1	Balance				286 DR
Nov 30	Cash Receipts		4350		4636 DR
Nov 30	Cash Payments			6306	1670 CR

6d. Prepare a Bank Reconciliation Statement as at 30 November 2004.

Marks	0	1	2	3	Average
%	35	13	29	23	1.4

Bank Reconciliation Statement for Greentree Gardening

	\$	\$
Balance as per bank statement		1470 DR
Add unpresented cheques – 556		100
		2470
Less deposits not credited		800
Balance as per bank ledger		1670 CR

6e. List two different reasons for preparing a Bank Reconciliation Statement.

Marks	0	1	2	Average
%	25	38	36	1.1

- to check what the bank has done (paid and/or received) on your behalf
- to update cash journals
- to double check your recording of cash receipts and payments.

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6f-g

Marks	0	1	2	Average
%	45	34	21	0.8

6f. What does CR mean against the amount in the balance column of the bank statement?

It indicates that your money in the bank is a liability to the bank. They have to pay you on demand. Money is available in the bank, it is not an overdraft.

6g. Why is the bank statement a 'source' document of information for Greentree Gardening?

It provides information from the bank about activities that the bank has conducted on your behalf. Direct debits and credits.

6h. Using the above information and the information below complete the Sales Journal and complete the Debtors Ledger for N Mansell.

10 November N Mansell purchased 5 Hibiscus Trees @ \$22.00 each (incl. GST) (Invoice T653)

20 November N Mansell purchased 20 Apple Trees @ 80.00 each (incl. GST) (Invoice T684)

Marks	0	1	2	3	4	Average
%	30	18	21	22	9	1.7

Credit Sales Journal CSJ

Date	Details	Invoice No.	Sales	GST Collected	Total
2004					
Nov 10	Debtors control	T653	100.00	10.00	110
Nov 20	Debtors control	T684	1454.55	145.45	1600
	Total		1554.55	155.45	1710

T-FORMAT

Debtors Subsidiary Ledger

AA1 – N Mansell

Date	Details	Amount	Date	Details	Amount
2004					
Nov 1	Balance	1320	Nov 9	Bank	520
Nov 10	Credit sales	110	Nov 27	Bank	800
Nov 20	Credit sales	1600			
Nov 30	Bank	520			

OR

COLUMNAR FORMAT

Debtors Subsidiary Ledger

AA1 – N Mansell

Date	Details	Folio	Debit	Credit	Balance
2004					
Nov 1	Balance				1320
Nov 9	Bank			520	800 DR
Nov 10	Credit sales/GST	CSJ	110		910 DR
Nov 20	Credit sales/GST	CSJ	1600		2510 DR
Nov 27	Bank			800	1710 DR
Nov 30	Bank		520		2230 DR

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BSAFIN304A: Process payroll

Question 7

Payroll Slip

Waratah College Payment Advice		ABN 12 345 678 910		Period End: 23/11/04 Date: 23/11/04
Payroll No: 9876		Employee Name: NGUYEN, Trinh		Category: T Level: 4 Division: 6
Wages – Normal	836.00	Deductions		
Wages – Overtime	132.00	Superannuation		75.24
Bonus	115.00	Union Fees		15.00
Coordinator	50.00	Medibank Private		45.00
Gross Pay	1133.00	Total deductions		135.24
		Tax		402.36
		Net Pay		\$595.40

Hourly Rates:

Normal Time 38 hours

Overtime 1.5 times normal hourly rate

Deductions:

Medibank Private \$45.00 per week

Union Fees \$15.00 per week

Note: Tax rates include Medicare Levy.

Income

Tax Payable

\$	\$		
0	200		\$ 00.00
201	350		\$ 00.00 + 20% over \$200
351	500		\$ 30.00 + 33% over \$350
501	700		\$ 79.50 + 45% over \$500
701	950		\$169.50 + 48% over \$700
951	over		\$310.86 + 50% over \$950

7a. What is Trinh's normal hourly rate? Show your calculations.

Marks	0	1	2	Average
%	3	1	96	1.9

$$\frac{863}{38} = \$22.00 \text{ per hour}$$

7b. Trinh worked 4 hours overtime. Calculate her overtime and enter it onto the pay slip (page 16). Show your calculations.

Marks	0	1	2	3	Average
%	4	2	3	92	2.8

$$1.5 \times (4 \times \$22) = \$132$$

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7c. Trinh receives an extra \$50 per week for her position as coordinator. Enter this onto her pay slip (page 16).

Marks	0	1	Average
%	7	93	0.9

7d. Enter her deductions onto her payroll slip (page 16) and total them.

Marks	0	1	2	Average
%	7	14	79	1.8

7e. What percentage is superannuation of Trinh's gross pay? Show your calculations.

Marks	0	1	2	Average
%	31	17	52	1.2

$$\frac{75.24}{1133} = 6.64\%$$

7f. Calculate the PAYG taxation using the tax rates table on page 16. Show all workings.

Marks	0	1	2	3	4	Average
%	12	6	13	10	58	3.0

Tax on first \$950 = \$310.86
 1133 - 950 = 183
 183 x 50% = 91.50
 \$310.86 + \$91.50 = \$402.36 PAYG taxation

7g. Enter Trinh's net pay on the payroll slip (page 16).

Marks	0	1	Average
%	35	65	0.7

BSAFIN305A: Maintain financial records for reporting purposes

Question 8. Give one reason for management to prepare a trial balance.

Marks	0	1	Average
%	77	23	0.2

To check that the debits and the credits are equal or to check double entry.

Question 9. On October 1 2004, a computer, costing \$1 540 including GST, was purchased on credit from McKenzie Office Machines Ltd. (invoice no. M2333)

Record this transaction in the general journal – include a narration.

Marks	0	1	2	3	4	Average
%	29	21	13	15	22	1.8

General Journal GJ

Date	Particulars	Debit	Credit
Oct 9 2004	Computer	1400	
	GST paid	140	
	Creditor McKenzie Office Machines		1540
	Purchased office computer on credit inv. M2333		

Question 10. Post the following Purchases Journal to the appropriate accounts using either the T-format (pages 19–20) or the columnar format (pages 21–22).

Marks	0	1	2	3	4	5	Average
%	21	9	26	28	13	2	2.1

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Purchases Journal PJ

Date	Creditor	Folio	Inv. No.	Purchases	GST paid	Creditors control
2004 Oct 1	H Bewley		65456	210	21	231
	J Galloway		G1232	300	30	330
2	T Waterson		W8787	460	46	506
3	B Stewart		S3433	280	28	308
4	K Rodda		R8877	110	11	121
	J Galloway		G2323	90	9	99
5	H Bewley		66223	370	37	407
				1820	182	2002

T-FORMAT

General Ledger

L1: Creditors Control Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	7310
			Oct 5	Stock control	1820
			Oct 5	GST paid	182

A3 GST Paid Account

Date	Details	Amount	Date	Details	Amount
2004 Oct 1	Balance	780			
Oct 5	Creditors control	182			

COG1: Stock Control Account

Date	Details	Amount	Date	Details	Amount
2004 Oct 1	Balance	400			
Oct 5	Creditors control	1820			

Creditors Subsidiary Ledger

CS1: H Bewley Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	80
			Oct 1	Stock control & GST paid	231
			Oct 5	Stock control & GST paid	407

CS2: J Galloway Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	20
			Oct 1	Stock control & GST paid	330
			Oct 4	Creditors control & GST paid	99

CS3: T Waterson Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	100
			Oct 2	Stock control & GST paid	506

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CS4: B Stewart Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	45
			Oct 3	Stock control & GST paid	308

CS5: K Rodda Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	55
			Oct 4	Stock control & GST paid	121

OR

COLUMNAR FORMAT

General Ledger

L1: Creditors Control Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				7310 CR
5 Oct	Stock control	PJ		1820	9130 CR
5 Oct	GST paid	PJ		182	9312 CR

A3: GST Paid Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				780 DR
5 Oct	Creditors control	PJ	182		962 DR

COG1: Stock Control Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				400 DR
5 Oct	Creditors control	PJ	1820		2220 DR

Creditors Subsidiary Ledger

CS1: H Bewley Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				80 CR
5 Oct	Stock control + GST paid	PJ		231	311 CR
5 Oct	Stock control + GST paid	PJ		407	718 CR

CS2: J Galloway Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				20 Cr
1 Oct	Stock control + GST paid	PJ		330	350 CR
4 Oct	Cr purchases + GST paid	PJ		99	449 CR

CS3: T Waterson Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				100CR
2 Oct	Stock control + GST paid	PJ		506	606 CR

CS4: B Stewart Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				45 CR
3 Oct	Stock control + GST paid	PJ		308	353 CR

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CS5: K Rodda Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				55 CR
4 Oct	Stock control + GST paid	PJ		121	176 CR

FNBFIN68F: Prepare Reports for Management

Question 11

The following information relates to the retail business of K Waterhouse.

Account Name	2003	2004
Bad debts recovered	0	400
Fire losses	0	4000
Capital – K Waterhouse	9000	13600
Drawings – K Waterhouse	1500	1000
Debtors control	4500	4200
Creditors control	2500	2300
Stock – 1 July 2003	3000	3000
Stock purchases	18000	15000
Sales	28000	25000
Sales returns	250	500
Purchase returns	350	400
Stationery expense	300	300
Cartage inwards	450	400
Cartage outwards	450	500
Sundry creditors	700	600
Discount revenue	250	300
Discount expense	250	380
Insurance expense	450	500
Salaries	6000	6600
Furniture	800	1000
Duty and Wharfage	150	200
Bad debts	150	250
Loan from Apollo Investments (repayable @ \$1500 per year)	6500	5000
Bank – Asset	4000	3000
Motor vehicles	5500	6000
Rent expense	520	520
Interest expense	30	250

Additional information

Stock on hand at June 30 2004 was \$3 500.

11a. Prepare a Classified Statement of Financial Performance, trading section only, for the year ending 30 June 2004 for K Waterhouse.

Marks	0	1	2	3	4	5	6	7	8	9	Average
%	53	7	3	4	4	6	7	7	6	2	2.3

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Trading Statement	\$	\$	\$
Revenue:			
Sales		25000	
Less sales returns		500	24500
Less cost of goods sold			
Stock at beginning		3000	
Purchases	15000		
Less purchase returns	400	14600	
Cartage in		400	
Duty and wharfage		200	
		18200	
Less stock at end		3500	14700
Gross profit			9800

11b. Prepare a report showing the finance expense section only of the Statement of Financial Performance Report for K Waterhouse for 2004.

Marks	0	1	2	3	4	Average
%	75	18	7	1	0	0.4

Finance expenses	\$	\$	\$
Discount expense	380		
Insurance	500		
Bad debts	250		
Interest	250	1380	
Bad debts recovered	400		
Discount received	300	700	
Net finance expenses			680

11c. Prepare a report to show the working capital as at June 30 2004 for K Waterhouse.

Marks	0	1	2	3	4	5	Average
%	87	3	4	4	2	0	0.3

Working Capital	\$	\$	\$
Bank	3000		
Debtors	4200		
Stock control	3500	10700	
Creditors control	2300		
Sundry creditors	600		
Loan	1500	4400	
Working capital			10300

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11d. Prepare a report to show the investing activities, of a cash flow statement, for the year ending June 30 2004 for K Waterhouse.

Marks	0	1	2	Average
%	96	3	2	0.1

Investing activities	\$	\$
Furniture	(200)	
Motor vehicle	(500)	
Net funds from investing activities		(700)

Question 12. Explain one purpose of a Budget Variance report.

Marks	0	1	Average
%	59	41	0.4

To compare the hopes (plans) against the actual (what happened) in an effort to assist management decision making or to assist further budgeting.

Question 13. Name two items that would appear in a Cash Budget and not in a Budgeted Statement of Financial Performance.

Marks	0	1	2	Average
%	73	14	13	0.4

- drawings
- payments to creditors
- receipts from debtors
- petty cash
- loans
- purchases of fixed assets
- capital investments
- repayment of loans
- sale of fixed assets
- deposits for premises.

Question 14. Name two items that would appear in a Budgeted Statement of Financial Performance and not in a Cash Budget.

Marks	0	1	2	Average
%	81	13	6	0.3

- doubtful debts
- discount received
- depreciation
- credit sales
- credit purchases
- discount expense
- bad debts
- cost of goods sold.