



**Victorian Certificate of Education
2004**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures

Words

Letter

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**VCE VET FINANCIAL SERVICES
Written examination**

Thursday 4 November 2004

Reading time: 11.45 am to 12.00 noon (15 minutes)

Writing time: 12.00 noon to 1.30 pm (1 hour 30 minutes)

QUESTION AND ANSWER BOOK

Structure of book

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
14	14	100

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners, rulers, an approved graphics calculator (memory cleared) and/or one scientific calculator.
- Students are NOT permitted to bring into the examination room: blank sheets of paper and/or white out liquid/tape.

Materials supplied

- Question and answer book of 27 pages.

Instructions

- Write your **student number** in the space provided above on this page.
- All written responses must be in English.

Students are NOT permitted to bring mobile phones and/or any other electronic communication devices into the examination room.

BSAFIN201A – PREPARE AND PROCESS FINANCIAL DOCUMENTATION FOR CASH FLOW AND ACCOUNTING PURPOSES

Question 1

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

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

SMITH AND JONES FAMILY NEEDS STORE		
1 REPUBLIC ST, QUEENSTON 6125		
22/10/04	ABN 23 456 456 369	
PLENTY BANK 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
	P Rennie, Eastpac – Queenston	\$56.70
	R Oyalty, South East Credit Union – 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

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

PLENTY BANK QUEENSTON			
Deposit slip			
			DATE ____/____/2004
Account Name _____		Account No. _____	
<i>Cheques deposited (funds not available until cheques cleared, approximately four working days)</i>			
Drawer	Bank	Branch/BSB	\$ Amount c
Cash Tendered	\$	Total Cheques	
100			
50			
20			
10			
5			
Coin			
		Total Cash	
Paid in by:		Total Deposit	

5 marks

TURN OVER

Question 2

Choose the most correct responses to the questions below and write the answers in the boxes provided.

- a. Source documents are
- A. evidence of transactions used to start up a business.
 - B. receipts given to suppliers.
 - C. records of cheques written and received by the business.
 - D. evidence of transactions of the business.

1 mark

- b. A company purchased computer supplies.
In what order would the financial documents related to this purchase be issued?

- A. requisition, order form, invoice, receipt
- B. order form, receipt, invoice, statement
- C. delivery docket, order form, statement, receipt
- D. invoice, statement, requisition, delivery docket

1 mark

- c. On 1 January 2004, you have the choice of purchasing, for cash, a printer.

	Printer A	Printer B
Cash spent on the printer	\$650	\$450
Cash cost of each printer cartridge (per 1000 copies)	\$80 each	\$110 each

Your office prints an average of 350 copies per week.

The total yearly cash spent on the printer and cartridges would show

- A. the annual cash outlay spent on purchasing and using Printer A is greater than if you purchased and used Printer B.
- B. at the end of the first quarter, the cash outlay spent on purchasing and using Printer A is greater than if you purchased and used Printer B.
- C. at the end of the third quarter, the cash outlay spent on purchasing and using Printer A would be greater than if you purchased and used Printer B.
- D. the average weekly outlay spent on purchasing and using Printer A is greater than if you purchased and used Printer B.

1 mark

- d.** An invoice issued by a business is a source document showing
- A.** a cash sale of goods to a customer.
 - B.** a credit sale of goods to a customer.
 - C.** a credit purchase from a supplier.
 - D.** a cash purchase from a supplier.

1 mark

- e.** What is the discount amount a business receives if it obtains a 2.75% discount on an invoice for \$3 860?
- A.** \$ 10.61
 - B.** \$ 106.15
 - C.** \$1061.50
 - D.** \$ 772.00

1 mark

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TURN OVER

Question 3

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.

G LOCKS		BEDDING EMPORIUM				PETTY CASH BOOK						
Date	Chq. no.	Voucher no.	Details	Cash received	Total payment	Amount of GST	Amount excl. GST	Postage	Photocopying	Morning teas	Courier	Sundries
				\$ 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	
20			Balance c/d									
20			Balance b/d									
20	59811		Reimbursement									

**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						

5 marks

Question 4

VALERIES EDIBLE TREATS				
TAX INVOICE Invoice No: 231	321 Bayside Road Port Links 3210 Ph: 03 5642 1236 Email: vet@hotmail.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				

Use the information in the invoice above to answer the following questions.

- a. The figure represented by the letter **A** is \$ _____
1 mark
- b. The figure represented by the letter **B** is \$ _____
1 mark
- c. Explain the term **ABN**.

1 mark
- d. In which journal of the supplier would the tax invoice be recorded?

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

1 mark

BSAFIN302A – 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).

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

1 mark

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

	Answer
	\$

2 marks

- c. Explain two differences between an **invoice** and a **statement**.

Difference 1

Difference 2

2 marks

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

Reason 1 _____

Reason 2 _____

2 marks

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

1 mark

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

Document 1

Document 2

2 marks

Working space

TURN OVER

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.

Bank Statement

<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">Account Number</td> </tr> <tr> <td style="text-align: center; padding: 5px;">063-444 896-0834</td> </tr> <tr> <td style="text-align: center; padding: 5px;">Account Title</td> </tr> <tr> <td style="text-align: center; padding: 5px;">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								
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		1 137	923 CR				
10	Deposit		520	1 443 CR				
15	Deposit		290	1 733 CR				
17	Chq. 555	1 200		533 CR				
18	Reversing entry	520		13 CR				
21	Chq. 554	3 000		2 987 DR				
22	Deposit		2 023	964 DR				
28	Chq. 557	580						
29	Deposit		100					
31	Gov. Debits Tax	26						

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		1 137			1 137
9	N Mansell	011	520				520
15	Sale of plants	012			290		290
22	Cash fees	CRR		2 023			2 023
27	N Mansell	013	800				800
28	Cash refund	014				100	100

Cash Payments Journal

Date	Details	Chq. No.	Creditors	Plants		Sundries	Bank
2004 Nov 4	Plant mulch	553	500				500
10	Camelia trees	554		3 000			3 000
16	Drawings	555				1 200	1 200
21	Manure	556	1 000				1 000
26	Shrubs	557		580			580

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**.
- a. Complete the Cash Receipts and Cash Payments records. Total the columns and update Greentree Gardening's record of the bank balance.
- 4 marks
- b. Complete the balances missing in the Bank Statement.
- 2 marks
- c. Using either the T-format **or** columnar format provided, complete the Bank Account in the ledger for Greentree Gardening.
- 3 marks

T-FORMAT

Bank Account

Date	Details	Amount	Date	Details	Amount

OR

COLUMNAR FORMAT

Bank Account

Date	Particulars	Folio	Debit	Credit	Balance

Question 6 – continued
TURN OVER

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

Bank Reconciliation Statement for Greentree Gardening

	\$	\$

3 marks

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

Reason 1 _____

Reason 2 _____

2 marks

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

1 mark

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

1 mark

- h.** 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)

Credit Sales Journal (CSJ)

Date	Details	Invoice no.	Sales	GST collected	Debtors control
2004					

2 marks

T-FORMAT

Debtors Subsidiary Ledger

AA1 – N Mansell

Date	Details	Amount	Date	Details	Amount
2004 Nov 1	Balance	1 320			

OR

COLUMNAR FORMAT

Debtors Subsidiary Ledger AA1 – N Mansell

Date	Details	Folio	Debit	Credit	Balance
2004 Nov 1	Balance				1 320

2 marks

TURN OVER

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			Superannuation		75.24
Bonus	115.00				
Gross Pay			Total deductions		
			Tax		

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

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

Answer \$

2 marks

Question 7 – continued

- b. Trinh worked 4 hours overtime. Calculate her overtime and **enter** it on the payroll slip (page 16). Show your calculations below.

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3 marks

- c. Trinh receives an extra \$50 per week for her position as coordinator. Enter this on her payroll slip (page 16).

1 mark

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

2 marks

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

Answer	

2 marks

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

Answer	

4 marks

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

1 mark

TURN OVER

BSAFIN305A – MAINTAIN FINANCIAL RECORDS FOR REPORTING PURPOSES**Question 8**

Give one reason for management to prepare a trial balance.

1 mark

Question 9

On 1 October 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.

General Journal GJ

Date	Particulars	Debit	Credit

4 marks

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).

5 marks

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
				1 820	182	2 002

T-FORMAT

General Ledger

L1: Creditors Control Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	7310

A3: GST Paid Account

Date	Details	Amount	Date	Details	Amount
2004 Oct 1	Balance	780			

COG1: Stock Control Account

Date	Details	Amount	Date	Details	Amount
2004 Oct 1	Balance	400			

Creditors Subsidiary Ledger

CS1: H Bewley Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	80

CS2: J Galloway Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	20

CS3: T Waterson Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	100

CS4: B Stewart Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	45

CS5: K Rodda Account

Date	Details	Amount	Date	Details	Amount
			2004 Oct 1	Balance	55

OR**COLUMNAR FORMAT****General Ledger****L1: Creditors Control Account**

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				7310 Cr

A3: GST Paid Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				780 Dr

COG1: Stock Control Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				400 Dr

Creditors Subsidiary Ledger**CS1: H Bewley Account**

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				80 Cr

CS2: J Galloway Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				20 Cr

CS3: T Waterson Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				100 Cr

CS4: B Stewart Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				45 Cr

CS5: K Rodda Account

Date	Particulars	Folio	Debit	Credit	Balance
1 Oct	Balance				55 Cr

Working space

TURN OVER

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	4 000
Capital – K Waterhouse	9 000	13 600
Drawings – K Waterhouse	1 500	1 000
Debtors control	4 500	4 200
Creditors control	2 500	2 300
Stock – 1 July 2003	3 000	3 000
Stock purchases	18 000	15 000
Sales	28 000	25 000
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	6 000	6 600
Furniture	800	1 000
Duty and Wharfage	150	200
Bad debts	150	250
Loan from Apollo Investments (repayable @ \$1500 per year)	6 500	5 000
Bank – Asset	4 000	3 000
Motor vehicles	5 500	6 000
Rent expense	520	520
Interest expense	30	250

Additional information

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

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

	\$	\$	\$

9 marks

- b. Prepare a report showing **the finance expense section only**, of the Statement of Financial Performance report for K Waterhouse for 2004.

Finance expenses	\$	\$	\$

4 marks

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

Working capital	\$	\$	\$

5 marks

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

Investing activities	\$	\$

2 marks

Question 12

Explain one purpose of a Budget Variance report.

1 mark

Question 13

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

Item 1 _____

Item 2 _____

2 marks

Question 14

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

Item 1 _____

Item 2 _____

2 marks