



**Victorian Certificate of Education
2003**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures

Words

Letter

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VCE VET FINANCIAL SERVICES

Written examination

Friday 31 October 2003

Reading time: 3.00 pm to 3.15 pm (15 minutes)

Writing time: 3.15 pm to 4.45 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>
13	13	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 21 pages with a detachable insert for Question 8 in the centrefold.
- Instructions**
- Detach the insert from the centrefold during reading time.
 - 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

Complete the table below by matching the correct description (A.–F.) to each of the **five** documents.

Description
A. a document to record daily receipts to be credited to the business
B. a document issued by a business to verify that goods have been returned due to being faulty, damaged or the wrong specification
C. a document prepared and forwarded with a cheque setting out details of the payment
D. a document sent by a supplier of goods showing the amount owing for goods or services supplied on credit
E. a record showing that a payment by cheque has been made by the business
F. a document that is issued monthly and used by a business to inform its customers of all transactions over the previous month

Document	Description
Remittance advice	
Purchase invoice	
Statement of account	
Cheque butt	
Credit note	

5 marks

Question 2

On 1 November 2003 HM Music Distributors (address: 131 Smith St, Heidelberg 3084) purchased on credit 5000 single CDs at \$5 each, 1000 DVDs at \$20 each and 200 cassettes at \$15 each from their supplier, MCD Music Wholesalers. Ten per cent GST is payable.

Using the information provided above, complete the details on the tax invoice issued by MCD Music Wholesalers.

TAX INVOICE Invoice no: 282 Sold to: _____ _____ _____		MCD MUSIC WHOLESALERS ABN 51 864 289 723 102 Rundle Road Kings Park 4368 Phone: 999 0000 Date: _____		
Particulars	Quantity	Rate \$	Amount	
			\$	c
Subtotal				
GST				
Total Amount				
Visit www.mcdmusicwholesalers.com.au Terms 3/10, net 30				

5 marks

TURN OVER

Question 3

HM Music Distributors, account no: 45789, had the following transactions on 1 November 2003.

Cash sales of \$4694.75 in the following denominations:	
\$	\$
100	2500.00
50	1550.00
20	460.00
10	140.00
5	35.00
Coin	9.75
Cheques:	
R&B Music, Colac, Easier Bank, \$412.95, BSB 5796 1579	
Beatmusic, Warranwood, Post Bank, \$2485.00, BSB 4872 6985	
Rhythmrules, Ringwood, Easier Bank, \$1584.75, BSB 5821 9435	
C-Mart, Melbourne, Advantage Community Bank, \$5789.00, BSB 4871 5473	
Bankcard summary – \$1869.50	

Using the information above, prepare a deposit advice slip for 1 November 2003.

EZI BANK			DEPOSIT ADVICE	
MELBOURNE				
Account name:		Account No:		DATE:
<i>Cheques deposited (Proceeds are not available until cleared)</i>				
Drawer	Bank	Branch/BSB	Amount	
			\$	c
Cash Tendered		Total Cheque		
\$				
100				
50				
20				
10				
5				
Coin				
		Total Cash		
Paid in by:		Total Deposit		

Question 4

Complete the entries in the Petty Cash Book and record the entries below.

① _____ ② _____ ③ _____ ④ _____ ⑤ _____

Arrawarra Enterprises Petty Cash Book

Cash Received		Date	Particulars	Voucher no.	Total Payment		Amount of GST		Amount excl. GST		Cleaning		Postage		Office Requisites		Sundries	
10	56	Oct 1	Balance b/d															
39	44		Reimbursement chq. 6677123															
		Oct 3	Stamps	33	4	40	0	40	4	00			4	00				
		Oct 4	Cleaning	34	13	20	1	20	12	00	12	00						
		Oct 7	Copy paper	35	6	60	0	60	6	00					6	00		
		Oct 9	Door handle	36	7	70	0	70	7	00							7	00
		Oct 9	Cleaning	37	①		1	10	11	00	11	00						
					②													
			Balance c/d															
③																		
④		Oct 9	Balance b/d															
⑤		Oct 9	Reimbursement chq. 6677154															

5 marks

TURN OVER

BSAFIN304A – PROCESS PAYROLL**Question 5**

Linda Chan is paid weekly. She works a 38-hour week earning \$20.00 per hour.

This week she also

- worked **four hours overtime** (earning 1.5 times her normal hourly rate),
- **earned a \$100 commission**, and
- is entitled to a **\$10 productivity bonus**.

She has the company deduct

- **\$10.00 per week** for **medical insurance**,
- **\$20.00 per week** to pay back an **employee loan**, and
- **\$5.00 per week** for **union subscriptions**.

SGC Superannuation is calculated at **10% of gross wages**.

For this question assume **taxation rates**, which include Medicare, are

Income	Tax payable
\$0.00 – \$115.00	\$00.00
\$116.00 – \$380.00	\$00.00 + 20% over \$115.00
\$381.00 – \$620.00	\$50.00 + 30% over \$380.00
\$621.00 – \$960.00	\$100.00 + 40% over \$620.00
Over \$960.00	\$210.00 + 50% over \$960.00

Using all the information supplied above, complete the weekly Payroll Advice Slip for Linda Chan in the table on the opposite page.

Working space

BSAFIN302A – MONITOR CASH CONTROL FOR ACCOUNTING PURPOSES

Question 6

You are a trainee clerk working for Street and Surfwear Manufacturers Pty Ltd, which manufactures and supplies clothing and accessories to speciality retail shops.

On 2 October 2003, a customer, City Surf, ordered stock to the value of \$5000 (plus 10% GST).

City Surf requested that the goods be supplied on credit, with the terms of 5/7 n/30.

On 4 October 2003, the invoicing clerk prepares an invoice for City Surf for the total of \$6500.

- a. What is the correct amount to be paid if this invoice is to be paid by City Surf on 8 October 2003?

\$ _____

2 marks

- b. Name **two** documents that should be checked during the preparation of a customer’s monthly statement.

Document 1 _____

Document 2 _____

2 marks

- c. Describe **one** possible difficulty when accepting personal cheques for payment of goods supplied or services rendered.

1 mark

BSAFIN305A – MAINTAIN FINANCIAL RECORDS FOR REPORTING PURPOSES

Question 7

Provide two reasons why a trial balance can be **equal** but **not correct**.

Reason 1 _____

Reason 2 _____

1 + 1 = 2 marks

Question 8

Answer all parts of this question using the information provided in the insert.

You may use either the T-format (pages 10–11) or the columnar format (pages 12–13) in answering part **b**. Do not complete both formats.

- a. On closer inspection the cash receipts received on 8 October were found to be from Nancy Jones. Use the General Journal below to record the correction. (Include an appropriate narration.)

General Journal

GJ 001

Date	Details	Post Ref.	Debit	Credit

3 marks

- b. Use the information in the insert, and the General Journal entries (part a.), to
 - i. record information into the selected **General Ledger Accounts**
 - ii. record information into the **Debtors Subsidiary Ledger Accounts**
 - iii. complete the **Schedule of Debtors** at 31 October 2003.

Use **either** the following T-format (pages 10–11) **or** columnar format provided on (pages 12–13). **Do not** complete both.

T-FORMAT

i. General Ledger

Bank Account

C/A 001

Date	Details	Post Ref.	Amount \$	Date	Details	Post Ref.	Amount \$
Oct 1	Balance		10 000.00				

Debtors Control Account

C/A 004

Date	Details	Post Ref.	Amount \$	Date	Details	Post Ref.	Amount \$

4 + 4 = 8 marks

ii. Subsidiary Debtors Ledgers

Nancy Jones Account

DS/A 001

Date	Details	Post Ref.	Amount \$	Date	Details	Post Ref.	Amount \$

Freda Jones Account

DS/A 002

Date	Details	Post Ref.	Amount \$	Date	Details	Post Ref.	Amount \$

4 marks

iii. Schedule of Debtors at 31 October 2003

	\$

2 marks

OR

COLUMNAR FORMAT

i. General Ledger

Bank Account

C/A 001

Date	Details	Post Ref.	Debit	Credit	Balance
Oct 1	Balance				10 000 DR

Debtors Control Account

C/A 004

Date	Details	Post Ref.	Debit	Credit	Balance

4 + 4 = 8 marks

ii. Subsidiary Debtors Ledger

Nancy Jones Account

DS/A 001

Date	Details	Post Ref.	Debit	Credit	Balance

Freda Jones Account

DS/A 002

Date	Details	Post Ref.	Debit	Credit	Balance

4 marks

iii. Schedule of Debtors at 31 October 2003

	\$

2 marks

TURN OVER

BSAFIN301A – MAINTAIN DAILY FINANCIAL RECORDS FOR ACCOUNTING PURPOSES

Question 9

The following question relates to the business of Morris and Minor.

The balance in the Bank Account of Morris and Minor at 1 October 2003 was \$20 192.60 Dr.

At 31 October 2003, the Cash Receipts Journal showed a total of \$33 620.20 and the Cash Payments Journal showed a total of \$29 155.15.

The Bank Statement at 31 October was received by the business and showed a credit balance of \$18 715.40.

The following differences were also revealed when the Bank Statement and the business records were compared on 31 October.

1. unrepresented cheque: No. 224 \$5843.45
2. deposit not yet credited: \$8249.15
3. a direct deposit of \$360 for interest
4. bank charges of \$25
5. a direct payment of \$1250 for monthly rent
6. a dishonoured cheque – T Hayles, \$2621.55

- a. Prepare the Bank Account – use **either** the following T-format (below) **or** columnar format (provided on page 15).
Do not complete both.

T-FORMAT

Bank Account

Date	Details	Amount	Date	Details	Amount

6 marks

OR

c. Provide **two** benefits of preparing a bank reconciliation statement for Morris and Minor.

Benefit 1 _____

Benefit 2 _____

2 marks

FNBFIN68A – PREPARE REPORTS FOR MANAGEMENT**Question 10**

Calculate the missing amounts, as indicated below, for the Profit and Loss Performance Report for Simms Ltd. Record your answers in the table.

	Actual \$	Budget \$	Variance \$
Revenue			
Sales	45 000	50 000	①
Cost of Goods Sold	②	20 000	2 000
Gross Profit	27 000	30 000	(3 000)
Operating Expenses			
Salaries	12 958	③	542
Advertising	4 500	5 200	④
Administrative Expenses	⑤	6 300	800
Total Operating Expenses	22 958	25 000	2 042
Net Profit/Loss	4 042	5 000	958

5 marks

TURN OVER

Question 11

Management provides the following information.

Profit and Loss Statements for the years ending 30 June 2002 and 2003

	2002	2003
	\$	\$
Sales	160 000	188 000
Cost of Goods Sold	85 000	97 000
Gross Profit	75 000	91 000
Operating Expenses	52 000	65 000
Net Profit	23 000	26 000

Balance Sheets (extract) as at 30 June 2002 and 2003

	2002	2003
	\$	\$
Cash at bank	40 000	44 000
Debtors	26 000	34 000
Stock	50 000	60 000
Land and Buildings	105 000	105 000

Explain to management how you would determine the average time taken for debtors to pay the business in 2003.

1 mark

Question 12

- a. Simms Ltd purchased a new delivery vehicle on 1 April 2000, for \$18 600. To enable the van driver to communicate with head office, a CB radio (costing \$2400) was installed as a permanent fixture in the vehicle. It is planned to have the van for three years and then trade it in on a newer model. The estimated trade-in value is expected to be about \$6000. Simms Ltd uses the straight-line method of depreciation.

Prepare an extract of Simms Ltd Statement of Financial Position to show how the delivery van would be reported as at 30 June 2003.

Simms Ltd Statement of Financial Position (extract) as at 30 June 2003

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2 marks

- b. Provide **two** reasons why it is important for a business to maintain adequate stock levels.

2 marks

TURN OVER

Question 13

Kim Darling, the proprietor of Apollo Computers, has provided the following information in relation to her business.

Statement of Receipts and Payments for the year ended 31 December 2003

Cash receipts	\$	\$
CBA finance loan	22 600	
Additional capital	12 000	
Debtors	53 950	
Sales	65 200	
Proceeds from the sale of cash register	3 500	
Interest on government bonds	<u>3 200</u>	160 450
Less cash payments		
Insurance	1 350	
Purchase of new cash register	12 600	
Shop wages	18 200	
Advertising	2 100	
Repayments to CBA	4 650	
Cash purchases of stock	8 500	
Office salaries	15 600	
Interest expense	2 360	
Creditors	62 330	
Cartage outward	1 150	
Proprietor's drawings	<u>23 400</u>	<u>152 240</u>
Excess/deficit of receipts over payments		8 210
Bank balance as at 1 January 2003		<u>4 860</u>
Bank balance as at 31 December 2003		<u><u>13 070</u></u>

Additional information

There was a stock loss for the year of \$2 100.

In the space provided on page 21, prepare a classified Statement of Cash Flows for Apollo Computers for the year ended 31 December 2003.

INSERT FOR QUESTION 8

Directions to students

Remove the insert during reading time.

Data on the following pages is required to answer Question 8.

Arrawarra Enterprises operates a general store/milk bar at the Arrawarra Caravan Park. Jill Apollo, the proprietor of the store, allows a few of the permanent residents at the park to operate credit accounts. They pay Jill every pension day.

The following residents had balances as at 1 October 2003.

Nancy Jones	\$45.00
Freda Jones	\$35.00

Jill's bank statement showed that she had \$3500.00 in her bank account on 1 October 2003.

Use the following journal entries to answer parts **a.** and **b.**

Cash Receipts Journal

CRJ 001

Date	Details	Rec No.	Debtors	Papers	Milk	Groceries	Bread	Sundries	GST Collected	Amount Received	Bank
Oct 1	Cash	CRS		60	145	120	50		23	398	398
Oct 3	Cash	CRS		40	60	70	30		14	214	214
Oct 4	Cash	CRS		50	40	80	60		19	249	
Oct 4	Cash	CRS		60	50	60	60		18	248	497
Oct 7	Cash	CRS		40	40	120	60		22	282	282
Oct 8	Cash/ F Jones	CRS/29	45	50	55	60	80		19	309	309
Oct 9	Cash	CRS		60	55	120	50		23	308	308
Oct 10	Cash	CRS		70	45	40	60		17	232	
Oct 10	Cash/ Postcards	CRS/30		50	65	60	60	20	19	274	506
Oct 15	Cash	CRS		50	70	70	60		18	268	268
Oct 18	Cash	CRS		60	80	80	50		19	289	289
Oct 22	Cash	CRS		70	45	50	50		17	232	232
Oct 25	Cash	CRS		50	60	40	50		14	214	214
Oct 28	Cash	CRS		40	70	60	50		15	235	235
Oct 31	Cash	CRS		30	30	70	60		16	206	206
Total			45	780	910	1100	830	20	273		3958

Cash Payments Journal**CPJ 001**

Date	Details	Chq No	Purchases	Sundries	GST Paid	Bank
Oct 28	M Smith	101	110		11	121
Oct 28	P Jones	102	120	40	16	176
Oct 30	S Chin	103	180	30	21	231
Oct 31	K Allen	104	660	120	78	858
Total			1070	190	126	1386

Credit Sales Journal**CSJ 01**

Date	Details	Invoice No	Sales	GST Collected	Total
Oct 1	N Jones	124	30	3	33
Oct 5	F Jones	125	60	6	66
Oct 7	N Jones	126	30	3	33
Oct 18	N Jones	127	30	3	33
Oct 25	F Jones	128	50	5	55
Oct 27	N Jones	129	30	3	33
Total			230	23	253

END OF INSERT FOR QUESTION 8