



**Victorian Certificate of Education
2005**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures
Words

Letter

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VCE VET FINANCIAL SERVICES
Written examination

Thursday 3 November 2005

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>
25	25	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 29 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 unauthorised electronic devices into the examination room.

Instructions

Answer **all** questions in the spaces/documents provided.

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

Question 1

The following receipt is correct. Compare it to the cheque that follows and record one error only.

<i>Apollo Tennis Club</i> 1234 Main Road Apollo Parklands 3095				Official Receipt No 101
Date	Received from	Particulars	Discount	By Cash/Cheque
25 October 2005	<i>S Smith</i>	Payment of account		\$1550.50
Per: _____ Signature				

The Apollo Parklands Credit Union 65 Smith's Gully Rd Apollo Parklands 3095		25 October 2005
Pay: <i>Apollo Tennis Club</i>		
The sum of: <i>One Thousand Five Hundred Dollars and Fifty Cents</i>		\$1550.50
S Smith 099 10141888	<i>S Smith</i>	

List **one error** only.

1 mark

Question 2

Compare the receipt with the cheque that follows and record one error from either document.

<i>Apollo Tennis Club 1234 Main Road Apollo Parklands 3095</i>			Official Receipt No 102	
Date	Received from	Particulars	Discount	By Cash/Cheque
25 October 2005	R Burns	Sales \$45.45 GST \$4.55		\$51.00
Per: _____ Signature				

The Reservoir Building Society 65 Plenty Rd Reservoir 3073	25 October 2005
Pay: <i>Apollo Tennis Club</i>	
The sum of: <i>Fifty One Dollars and no Cents</i>	<i>\$51.00</i>
R Burns 083 907878	

List **one error** only.

1 mark

TURN OVER

Question 3

The following credit card voucher has been received. It has been checked against the list of stolen or lost credit cards and it is not on the list. The itemised prices have also been checked and are correct.

The store limit for unauthorised transactions is \$50.00.

5567 34509 1266 3434 9/31 12/55 K JONES 3055678 APOLLO TENNIS CLUB APOLLO PARKLANDS VICTORIA	<h3 style="margin: 0;">SALES VOUCHER</h3> <p style="margin: 5px 0;">66789045</p> <table border="1" style="margin: 5px auto; border-collapse: collapse;"> <tr> <th style="padding: 2px;">Day</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Year</th> </tr> <tr> <td style="text-align: center; padding: 2px;">3</td> <td style="text-align: center; padding: 2px;">0</td> <td style="text-align: center; padding: 2px;">1 1 0 5</td> </tr> </table> <p style="margin: 5px 0;">Authorisation No.</p> <table border="1" style="margin: 5px auto; border-collapse: collapse;"> <tr> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> </tr> </table> <table border="1" style="margin: 5px auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 2px;">QTY</th> <th style="padding: 2px;">DESCRIPTION</th> <th style="padding: 2px;">Dollars</th> <th style="padding: 2px;">Cents</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">5</td> <td style="padding: 2px;">Individual Lessons</td> <td style="text-align: center; padding: 2px;">65</td> <td style="text-align: center; padding: 2px;">00</td> </tr> <tr> <td style="text-align: center; padding: 2px;">1</td> <td style="padding: 2px;">Racquet repair</td> <td style="text-align: center; padding: 2px;">45</td> <td style="text-align: center; padding: 2px;">00</td> </tr> <tr> <td colspan="2" style="text-align: right; padding: 2px;">TOTAL \$A</td> <td style="text-align: center; padding: 2px;">100</td> <td style="text-align: center; padding: 2px;">00</td> </tr> </tbody> </table> <div style="margin: 5px 0;"> <input checked="" type="checkbox"/> </div> <table border="1" style="margin: 5px auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">B/C</td> </tr> <tr> <td style="padding: 2px;">M/C</td> </tr> <tr> <td style="padding: 2px;">VISA <input checked="" type="checkbox"/></td> </tr> </table> <p style="margin: 5px 0;">Cardholder's signature</p> <hr style="width: 80%; margin: 5px auto;"/>	Day	Month	Year	3	0	1 1 0 5							QTY	DESCRIPTION	Dollars	Cents	5	Individual Lessons	65	00	1	Racquet repair	45	00	TOTAL \$A		100	00	B/C	M/C	VISA <input checked="" type="checkbox"/>
Day	Month	Year																														
3	0	1 1 0 5																														
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TOTAL \$A		100	00																													
B/C																																
M/C																																
VISA <input checked="" type="checkbox"/>																																

List **three** errors.

Error 1 _____

Error 2 _____

Error 3 _____

3 marks

Question 4

- a. Explain **two** advantages to a business of an EFTPOS transaction.

Advantage 1 _____

Advantage 2 _____

2 marks

- b. List **one** reason why it is highly recommended to use the term 'not negotiable' when writing a cheque.

1 mark

- c. Define the term 'delivery docket'.

1 mark

- d. Explain **one** purpose of a requisition form.

1 mark

TURN OVER

Question 5

a. Define the term 'GST'.

1 mark

b. When would you use the tax code 'FRE' when recording financial transactions?

1 mark

c. Explain the term 'petty cash voucher'.

1 mark

d. Explain the term 'petty cash advance'.

1 mark

Question 6

On 1 November 2005 Apollo Enterprises (address – 121 Main St, Apollo Parklands, 3095) sent back the following faulty goods. The goods had previously been purchased on credit from Melbourne Plastics (address – 34 Ridge St, Reservoir, 3073).

10 trigger water sprays @ \$1.00 each (GST still to be added)
15 hose connectors @ \$2.00 each (GST still to be added)

- a. In which document would Melbourne Plastics record the details?

1 mark

- b. Record the total monetary amount of the above transactions.

Calculation
\$

1 mark

- c. Which journal would Apollo Enterprises use to record the transaction?

1 mark

TURN OVER

Question 7

You are required to prepare the Cash Payments Journal entry, on page 9, that reimburses the Petty Cash book, on page 8, on 16 November 2005 using a cheque numbered 100.

Apollo Tennis Tuition

J Smith

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	\$ c
Nov	6			Balance b/d	3 65								
7		85		Reimbursement	56 35								
7			A444	2 litres milk		2 15	0 0	2 15			2 15		
8			445	Stamps		9 35	0 85	8 50	8 50				
9			446	Donation to Salvation Army		5 00	0 0	5 00					5 00
9			447	Photocopies of new price list		6 50	0 59	5 91		5 91			
10			448	Printing tennis competition		9 80	0 80	9 00					9 00
13			449	1 litre milk		1 45	0 0	1 45			1 45		
13			450	Biscuits for staff		3 50	0 32	3 18			3 18		
14			451	Stamps		2 20	0 20	2 00	2 00				
15			452	Photocopying		2 25	0 20	2 05		2 05			
15			453	Replacement key		5 50	0 50	5 00					5 00
16			454	Transport of prizes		6 60	0 60	6 00				6 00	

BSAFIN302A – MONITOR CASH CONTROL FOR ACCOUNTING PURPOSES**Question 8**

- a. State **one** advantage of paying a creditor using electronic banking.

1 mark

- b. Explain the benefit of the '4/10 net 30 days' to a customer.

1 mark

- c. What is the purpose of a 'debit card'?

1 mark

- d. What is the purpose of a 'credit card'?

1 mark

- e. Explain the purpose of a 'merchant summary'.

1 mark

Question 9

Harry's Hardware needs to send out November statements to all customers. Complete the November statement for J Jones by recording the following financial transactions.

Balance at 1 November 2005		\$120.00 DR
7	Sales Invoice 545	\$356.00
10	Sales Invoice 656	\$567.00
12	Returns Credit note 45	\$33.00
15	Chq. No. 45 (payment of October balance)	

Harry's Hardware 123 Main St Apollo Parklands				
November statement for J Jones			Date _____	
Date	Particulars	Debit	Credit	Balance
	Total amount owing			
<i>Your prompt attention to this account would be appreciated</i>				

5 marks

TURN OVER

BSAFIN301A – MAINTAIN DAILY FINANCIAL RECORDS FOR ACCOUNTING PURPOSES

Question 10

The following information relates to the business of Mark David and Associates, professional paint dealers. On 31 October 2005, the following bank statement was received by the business.

- a. Complete the balances missing in the Bank Statement below.

Account Number 132-888 125-08976 Account Title Mark David and Associates The Laiska Banking Company Melbourne Branch				
Date	Details	DR	CR	Balance
2005 Oct 1	Balance Carried Forward			500 DR
5	Chq. 678	100		600 DR
8	Deposit		201	399 DR
11	Deposit		100	299 DR
14	Deposit		500	201 CR
19	Chq. 677	81		120 CR
21	Chq. 676	200		80 DR
23	Dishonoured Chq.	201		281 DR
28	Deposit		450	169 CR
31	Debit Tax	15		
31	Interest		3	

2 marks

Additional information

- The bank balance, according to the business records as at 30 September 2005, was \$500 credit.
- The bank notified Mark that the cheque deposited on 8 October 2005 would not be honoured.

- b. Compare the Bank Statement and the Cash Receipts and Cash Payments Journals, then complete the Cash Receipts and Cash Payments Journals and total the columns.

The cash journals for the business for the month of October 2005 are as follows.

Cash Receipts Journal

Date	Details	Rec. No.	Debtors	Services	Sales	Sundries	Bank
2005 Oct 8	N Taleb	072	201				201
11	Cash Fees	CRR		100			100
14	Sale of paint	073			500		500
28	J Kelly	074	450				450
29	Cash Fee	CRR		670			670

Cash Payments Journal

Date	Details	Chq. No.	Creditors	Paint	Sundries	Bank
2005 Oct 5	Paints	676		200		200
5	Phansy paints	677	81			81
5	Cash (Drawings)	678			100	100
5	Phansy paints	679		200		200

4 marks

- c. Using either the T-format **or** columnar format provided, complete the Bank Account in the ledger for Mark David and Associates.

T-FORMAT

Mark David and Associates Bank Account

Date	Details	Amount	Date	Details	Amount

OR

COLUMNAR FORMAT

Mark David and Associates Bank Account

Date	Particulars	Debit	Credit	Balance

3 marks

Question 11

- a. Prepare a Bank Reconciliation Statement as at 31 October 2005.

Bank Reconciliation Statement for Mark David and Associates as at 31 October 2005

	\$	\$

3 marks

- b. Identify **two** benefits in preparing a Bank Reconciliation Statement.

Benefit 1 _____

Benefit 2 _____

2 marks

- c. The opening bank balance in the Bank Statement is a DR. What does this mean?

1 mark

- d. Mark has stated that the bank reconciliation process is too complex. What can be done to help him?

1 mark

Question 12

a. Using all of the information provided, complete the Credit Sales Journal of Smart Paints.

- 9 October J Kelly purchased 3 cans of steel grey paint @ \$18 each (incl. GST) (Invoice M103)
- 19 October J Kelly purchased 21 cans of green paint @ \$25 each (incl. GST) (Invoice M113)

Credit Sales Journal

Date	Details	Inv. No.	Sales	GST collected	Debtors control

2 marks

b. Complete the Debtors Subsidiary Ledger for J Kelly, using either the T-format or the columnar format.

T-FORMAT

Debtors Subsidiary Ledger

AA1-J Kelly

Date	Details	Amount	Date	Details	Amount

OR

COLUMNAR FORMAT

Debtors Subsidiary Ledger

AA1-J Kelly

Date	Details	Debit	Credit	Balance

2 marks

Working space

TURN OVER

BSAFIN304A – PROCESS PAYROLL**Question 13**

a. What is the purpose of superannuation contributions?

1 mark

Use the Payroll Slip and payroll data for Joe Batchelor below to answer *parts b.–i.*

Payroll Slip

Tropical Farm Resort Payment Advice		ABN 22 456 997 334		Period End: 25/10/2005 to 31/10/2005 Date: 31/10/2005	
Payroll No: 8797		Employee Name: Joe Batchelor		Category: Z Level: 7 Division: 5	
Wages—Normal	924.00	Deductions			
Wages—Overtime		Superannuation		109.17	
Productivity Bonus					
GROSS PAY	1213.00	TOTAL DEDUCTIONS			
		Tax			
		NET PAY		619.97	

Payroll data

- Normal hourly rate: \$21.00
- Overtime: 1.5 times normal hourly rate
- Union fees \$14.50 per pay
- Health Insurance is deducted weekly

- b. Calculate the percentage of superannuation Joe contributes from his gross pay. Show your calculations in the space below.

Answer	

1 mark

- c. Calculate the normal hours that Joe works. Show your calculations in the space below.

Answer	

1 mark

- d. Joe worked 6 hours overtime. Calculate his overtime and enter it on the payroll slip. Show your calculations in the space below.

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2 marks

- e. Joe has first aid qualifications and is rewarded with an additional \$15.00 in his pay each week. Enter this on the payroll slip.

1 mark

- f. Joe gets a productivity bonus this pay. Calculate how much it is in the space below and enter it on the payroll slip.

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2 marks

Tax rates table

Income range \$	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 and over	\$310.86 + 50% over \$950
Note: Tax rates above include Medicare Levy	

- g.** Calculate the PAYG taxation using the tax rates table. Show your calculations in the space below and enter the answer on the payroll slip.

2 marks

- h.** Enter Joe’s union fees data onto the payroll slip.

1 mark

- i.** Calculate the amount of private health insurance that is deducted from Joe’s pay each week. Show your calculations below and enter the details on the payroll slip.

3 marks

Question 15

Suggest **two** ways the owner of Luminous Lights could reduce the Cost of Goods Sold.

Suggestion 1 _____

Suggestion 2 _____

2 marks

Question 16

Explain the difference between a current asset and a non-current (fixed) asset.

Current asset _____

Non-current (fixed) asset _____

2 marks

Question 17

Explain the difference between 'sundry creditors' and 'creditors control' accounts.

Sundry creditors _____

Creditors control _____

2 marks

Question 18

Gayle owns a lawn mowing service. She has come to you with the following figures collected on 31 December 2005.

	\$
Motor vehicle	6 000
GST collected	82
Trailer	820
Capital	10 000
GST paid	260
Sundry creditors	902
Debtors control	184
Creditors control	88
Bank	3 696
Mowers	800
Net profit	806
Tools	140

At 1 January 2005 she had \$8 000 invested in the business.

Determine Gayle's **rate of return on her investment**.

Calculation

%

2 marks

Question 19

Explain the difference between the terms 'cash payment for electricity' and 'electricity expense'.

Cash payment for electricity _____

Electricity expense _____

2 marks

TURN OVER

Question 20

Explain the difference between ‘depreciation of computers’ and ‘accumulated depreciation of computers’ accounts.

Depreciation of computers _____

Accumulated depreciation of computers _____

2 marks

Question 21

List **two** ways that the owner could improve her receipts from debtors.

Suggestion 1 _____

Suggestion 2 _____

2 marks

Question 22

Give management **two** reasons why it is important to prepare accurate and timely reports.

Reason 1 _____

Reason 2 _____

2 marks

BSAFIN305A – MAINTAIN FINANCIAL RECORDS FOR REPORTING PURPOSES**Question 23**

Explain the term '**prepaid rental income**' and how you would classify prepaid rental income in a chart of accounts.

Prepaid rental income _____

Type of account _____

2 marks

Question 24

On 1 November 2005 a motor vehicle costing \$31 540 incl. GST was purchased on credit from U Beaut Motors Ltd (Invoice no. MV39456).

Prepare the General Journal – include a narration.

General Journal**GJ**

Date	Particulars	Debit	Credit

4 marks

TURN OVER

Question 25

Post the following Purchases Journal to the appropriate Control Accounts and Creditors Subsidiary Ledger Accounts using either the T-format (pages 26–27) or the columnar format (pages 28–29).

Purchases Journal

PJ

Date	Creditor	Folio	Inv. no.	Purchases	GST Paid	Creditors Control
2005						
Oct 1	H Smith		Z1232	2 150	215	2 365
	J Jones		65456	3 090	309	3 399
12	T Buckley		R8877	4 670	467	5 137
13	B Voss		Q8787	2 810	281	3 091
24	K Maxfield		P3433	1 190	119	1 309
	J Jones		66223	990	99	1 089
25	H Smith		Z2323	3 770	377	4 147
				18 670	1 867	20 537

T-FORMAT

L1: Creditors Control Account

Date	Details	Amount	Date	Details	Amount
			2005		
			Oct 1	Balance	3440

A3 GST Paid Account

Date	Details	Amount	Date	Details	Amount
2005					
Oct 1	Balance	520			

COG1: Stock Control Account

Date	Details	Amount	Date	Details	Amount
2005					
Oct 1	Balance	8 800			

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

Date	Details	Amount	Date	Details	Amount
			2005 Oct 1	Balance	180

CS2: J Jones Account

Date	Details	Amount	Date	Details	Amount
			2005 Oct 1	Balance	220

CS3: T Buckley Account

Date	Details	Amount	Date	Details	Amount
			2005 Oct 1	Balance	1900

CS4: B Voss Account

Date	Details	Amount	Date	Details	Amount
			2005 Oct 1	Balance	845

CS5: K Maxfield Account

Date	Details	Amount	Date	Details	Amount
			2005 Oct 1	Balance	525

OR
COLUMNAR FORMAT

L1: Creditors Control Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			3 440 Cr

A3: GST Paid Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			520 Dr

COG1: Stock Control Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			8 800 Dr

Creditors Subsidiary Ledger

CS1: H Smith Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			180 Cr

CS2: J Jones Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			220 Cr

CS3: T Buckley Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			1 900 Cr

CS4: B Voss Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			845 Cr

CS5: K Maxfield Account

Date	Particulars	Debit	Credit	Balance
Oct 1	Balance			525 Cr