



VCE **Bulletin** Supplement 2

Sample examination questions 2002

VCE VET Financial Services: Written examination

VCE VET Financial Services

Written examination – November

Introduction

The following is a sample examination paper intended to be an example of the format and types of questions which would typify an examination paper for this study. The examination for this study is based on all units of competence at Units 3–4 of the program. Teachers, trainers and students should be aware that:

- The examination allocates marks approximately proportional to the nominal hours listed for each of the competencies at Unit 3–4.
- There will be a mixture of theory and practical questions.
- The appropriate recording of the Goods and Services Tax (GST) will be involved, with students expected to calculate the amount of GST and record GST in journals and ledger accounts.
- Students will be provided with PAYG withholding tax tables, if required
- Students will have the options of presenting transaction ledgers using either T-form accounts or three column ledger accounts.
- It is recommended that students work in pencil.
- It is recommended that students show all workings.
- Students will need an approved calculator.

The total marks allocated to this sample paper is 100 marks.

BSAFIN 201A – PREPARE AND PROCESS FINANCIAL DOCUMENTATION FOR CASH FLOW AND ACCOUNTING PURPOSES

Question 1

On 1 October 2002 Grant Wholesalers sold 50 dinner sets at \$4, 10 cutlery sets at \$55 each, and 200 Trays at \$15 each to Caterers R Us (address: 59 Brown Street, North Brisbane, 4059) on credit. GST is applicable.

Using the information above, complete the tax invoice for this transaction.

TAX INVOICE		GRANT WHOLESALERS		
Invoice no: 28		ABN 51 482 289 723		
Sold to:		56 Queen St		
		Collingwood 3257		
		Phone: 999 0000		
		Date:		
Particulars	Quantity	Rate	\$	¢
GST				
Total Amount				
<i>Visit us at www.grantws.com.au</i>		Terms 5/10, net 30		

5 marks

Question 3

- a. Sarah is a financial officer at Mitta Mitta Holiday Resorts. Provide one reason why she should use petty cash vouchers.

1 mark

- b. Show the entry in the cash payments journal of the Mitta Mitta Holiday Resort to record the establishment of the petty cash system with a \$100 float, on 1 October 2002. (Chq. 100)

Cash Payments Journal						CPJ 001
Date	Details	Chq No	Creditors	Sundries	GST Receivable	Bank
Total						

1 mark

- c. The following petty cash expenditures occur during October 2002.

Date	Amount	Spent on
Oct 4	11.00	Stamps
Oct 5	7.70	Kitchen items
Oct 6	16.50	Security light bulb replacements
Oct 7	8.80	Envelopes (5.50) Coffee (3.30)
Oct 8	15.90	Note pads
Oct 9	18.00	Replacement catch for toilet block
Oct 10	5.50	Office stationery
Oct 11	1.10	Pens & pencils
Oct 12	3.30	Sugar (1.10), plastic spoons (2.20)
Oct 31	13.20	Advertisement in the local paper

Using the petty cash book provided on the following page:

- i. record the petty cash system \$100 float, on 1 October 2002. (Chq. 100)
- ii. record all expenditures for October into the petty cash book.
- iii. balance the petty cash book at 31 October 2002.
- iv. record the petty cash reimbursement required on 31 October 2002.

9 marks

BSAFIN302A – MONITOR CASH CONTROL FOR ACCOUNTING PURPOSES**Question 4**

You work for Inline Sportsgear Pty Ltd, which manufactures and supplies sports equipment to retail shops. During the month of November several transactions took place, including:

On 2 November, a customer, Specialty Sports R Us, ordered stock to the value of \$7000 (plus 10% GST). The customer requested that the goods be supplied on credit.

- a. List **two** actions required to ensure that the proper accounting procedures are followed in processing this transaction.

i _____

ii _____

2 marks

- b. What is **one** likely consequence if the transaction is **not** checked and errors are present?

1 mark

On 15 November, supplies of fibreglass frames were received from F.G. Pty. Ltd. The invoice, which came with the delivery, was for several sizes of fibreglass frames and totalled \$5000 (plus 10% GST).

- c. Name **two** other documents should the invoice be checked against, before approving the payment.

i. _____
 ii _____

2 marks

BSAFIN304A – PROCESS PAYROLL**Question 5**

Define each of the following fourteen terms.

Allowance

Deduction

Pay advice slip

Salary

Bonus

Sick leave

Employee superannuation

Overtime

Commission

Tax-free threshold

Gross pay

Net pay

Holiday leave loading

Long service leave

14 marks

BSAFIN305A – MAINTAIN FINANCIAL RECORDS FOR REPORTING PURPOSES

Question 6

Other than being used for the correcting of errors, list **three additional** types of transactions that would be recorded in the General Journal.

i. _____

ii. _____

iii. _____

3 marks

Question 7

Give **two reasons** for preparing a trial balance.

i. _____

ii. _____

2 marks

Question 8

Refer to the journals in the databook to answer this question.

*Post all journals into the selected general ledger accounts using **either** the T-format **or** columnar format provided. **Do not** complete both formats.*

EITHER T-FORMAT

Bank Account

A1

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

Sales Revenue Account R1

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

GST Payable Account

CL6

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

OR

COLUMNAR FORMAT**Bank Account****A1**

Date	Details	Post Ref.	Debit	Credit	Balance

Sales Revenue Account**R1**

Date	Details	Post Ref.	Debit	Credit	Balance

GST Payable Account**CL6**

Date	Details	Post Ref.	Debit	Credit	Balance

7 marks

_____ : **D/L 002**

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

_____ : **D/L 003**

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

c. Schedule of Debtors at 31 October 2002

	\$	\$

OR

: D/L 003

Date	Details	Post Ref	Debit	Credit	Balance

c. Schedule of Debtors at 31 October 2002

	\$	\$

5 + 4 + 1 = 10 marks

Question 10

On 31 October 2002, Sarah Withers bank account in the general ledger showed a credit balance of \$320 while her bank statement was \$110 in credit.

A comparison of her records and the bank statement revealed that the following items need to be reconciled.

- Bank fees charged by the bank to Withers account – \$4.
- Cheques and cash received, entered into the cashbook but not yet credited on the bank statement – \$60.
- The bank had credited Withers with an amount of \$100 representing interest on Commonwealth Bonds.
- Interest on overdraft charged by the bank – \$6.
- J Gibny, a debtor, paid \$140 directly into the bank.
- Cheques unpresented amounted to \$260.

a. Calculate the balance in the cashbook account at 31 October

Bank balance	\$

3 marks

FNBFIN68A – PREPARE REPORTS FOR MANAGEMENT**Question 11**

- a. Calculate the variance for each item in the **Statement of Performance** shown below, indicating whether the variance is **favourable** or **unfavourable**.

Simms Ltd Performance Report for the month ending 31 March 2002

	Actual \$	Budget \$	Variance \$	(F/UF)
Revenue				
Sales	40 000	50 000		
Cost of Goods Sold	18 000	20 000		
Gross Profit	22 000	30 000		
Operating Expenses				
Salaries – Office Manager	5 250	6 000		
Salaries – Office Staff	4 083	4 000		
Salaries – Sales	3 620	3 500		
Advertising	4 500	5 200		
Administrative Expenses	5 505	6 300		
Total Operating Expenses	22 928	25 000		
Net Profit/(Loss)	(958)	5 000		

Space for Working

8 marks

- b. Provide a possible reason for the variance for each of the following items.

Salaries – Office Manager _____

Sales: _____

2 marks

c. Explain why the **gearing ratio** is important to management.

1 mark

d. Explain why the **Quick Asset ratio** is the best ratio in terms of **liquidity**.

1 mark

e. Explain why the **Return on Total Assets** is used as an indicator of **profitability**.

1 mark

Question 12

- a. The following information is provided to you by management. Using **horizontal analysis**, determine the percentage change from 2001 to 2002.

Record your answers in the **Percentage Change** column of the table below.

Balance Sheet (extract) as at 30 June 2002

	2001 \$	2002 \$	Percentage Change
Cash at bank	40 000	44 000	
Debtors	26 000	34 000	
Stock	50 000	60 000	
Land and Buildings	105 000	105 000	

4 marks

Space provided for working

Cash at Bank:

Debtors:

Stock:

Land and Buildings:

- b. A truck was purchased on 1 September 2001, for \$35 000. It has an estimated five-year life and an expected residual value of \$5 000. The business uses the straight-line method of depreciation.

In the table below, show how this asset would appear in the Statement of Affairs as at 30 June 2002.

Statement of Affairs

	\$

Space for working

2 marks

- c. Consider the following cash transactions

- Interest on overdraft
- Additional Capital
- Repayment of Loan by the owner.

Show how each transaction would be classified in the **Cashflow Statement** and whether each transaction is an **inflow** or **outflow** item. Record your answers in the table below.

	Operating/Investing/Financing	Inflow/Outflow
Interest on overdraft		
Additional capital		
Repayment of loan		

6 marks

VCE VET FINANCIAL SERVICES**DATABOOK INSERT****Directions to students**

Additional data will be included as an insert to the question and answer booklet, where required. Students should be instructed to remove the insert during reading time. Data on the following pages is required to answer Questions 8 and 9 of the sample examination.

DATABOOK FOR VCE VET FINANCIAL SERVICES

This databook contains data required to answer Questions 8 and 9.

Data required for Question 8:

Post the following journals into the selected general ledger accounts.

Students may use **either** the 'T' format **or** the 'columnar' format provided in their exam booklet.

Cash Receipts Journal CRJ 001

Date	Details	Rec No	Debtors	Cash Sales	Sundries	GST Payable	Bank
Oct 10	Andy Pratt	1	135				135
Oct 15	Cash Sales	2		200		20	220
Oct 25	Rent Received	3			250	25	275
Oct 31	Alice Pond	4	880				880
	Total		1015	200	250	45	1510

Cash Payments Journal CPJ 001

Date	Details	Chq No	Creditors	Sundries	GST Receivable	Bank
Oct 8	Wages	101		90		90
Oct 18	Car Expenses	102		180	18	198
Oct 30	Telephone	103		360	36	396
Oct 31	Arthur Rat	104	720			720
	Total		720	630	54	1404

Credit Sales Journal CSJ01

Date	Debtor	Invoice No	Sales	GST Payable	Total
Oct 1	Andy Pratt	124	120	15	135
Oct 5	Amelia Potts	125	270	27	297
Oct 7	Aaron Paine	126	540	54	594
Oct 18	Alice Pond	127	810	81	891
	Total		1740	177	1917

Credit Purchases Journal CrPurchJ01

Date	Details	Invoice No	Purchases	GST Payable	Total
Oct 1	Anne Reade	Y345	90	9	99
Oct 5	Archie Ready	12323	180	18	198
Oct 7	Ami Rounder	JK666	360	36	396
Oct 18	Arthur Rat	P3333	720	72	792
	Total		1350	135	1485

Data required for Question 9

Using the journals shown below to prepare:

- a) the **debtors control account** in the general ledger.
- b) the **subsidiary debtors ledger(s)**
- c) a **schedule of debtors** at 31 October 2002

Students may use **either** the 'T' format **or** the 'columnar' format provided in their exam booklet.

Sales Journal

Date	Trade Debtor	Inv No	GST Payable	Amount \$
4 October	D Cooper	562	60	660
5 October	S Amiet	563	80	880
18 October	M Gill	564	60	660
	Total		200	2200

Sales Returns and Allowances Journal

Date	Trade Debtor	CN No	GST Payable	Amount \$
20 October	M Gill	CN26	20	220
	Total		20	220

Cash Receipts Journal

Date	Details	Rec No	GST Payable	Discoun Expense	Debtor	Sales	Bank
6 October	Sales	CRR	60			600	660
8 October	S Amiet	562		22	441		441
20 October	Sales	CRR	40			400	440
21 October	D Cooper	564		20	402		402
25 October	Sales	CRR	50			500	550
31 October	M Gill	566		23	411		411
	Total		150	65	1254	1500	2904

On 1 October 2002, accounts contained the following balances:

General Ledger

Debtors Control \$3,132 Dr

Debtors Ledger

D Cooper \$1,511 Dr

M Gill \$1,621 Dr



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VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY

41 St Andrews Place East Melbourne Victoria 3002 Australia

TELEPHONE +61 3 9651 4300 FACSIMILE +61 3 9651 4324

EMAIL vcaa@edumail.vic.gov.au

WEB www.vcaa.vic.edu.au

