



**Victorian Certificate of Education  
2008**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

**STUDENT NUMBER**

Figures  
Words


Letter

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**VCE VET FINANCIAL SERVICES  
Written examination**

**Monday 10 November 2008**

**Reading time: 9.00 am to 9.15 am (15 minutes)**

**Writing time: 9.15 am to 10.45 am (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>
4	4	80

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners, rulers and a 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 22 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 provided.

**BSBCM308A – MAINTAIN FINANCIAL RECORDS**

**Question 1**

The following information relates to Maddi Kram's business, Maddi Kram Skateboards. On 31 October 2008, the following Bank Statement was received by the business.

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

<p><b>Account Number</b> 666-989 125-0986</p> <p><b>Account Title</b> Maddi Kram Skateboards</p> <p>The Reserve Banking Company Melbourne Branch</p>				
Date	Details	DR	CR	Balance
2008 Oct. 1	Balance Carried Forward			500 CR
5	Chq. 600	100		400 CR
8	Deposit		2 200	2 600 CR
11	Deposit		1 500	4 100 CR
14	Deposit		200	4 300 CR
19	Chq. 601	200		4 100 CR
21	Chq. 602	300		3 800 CR
23	Dishonoured Chq.	200		3 600 CR
28	Deposit		450	4 050 CR
31	Dishonoured Chq. Fees	25		
31	Interest Credit		10	

2 marks

**Additional information**

- The bank balance, according to the business records as at 30 September 2008, was \$500 debit.
- The bank notified Maddi that the cheque deposited on 14 October 2008 would not be honoured.

**Question 1 – continued**

- b. **Compare** the Bank Statement with 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 2008 are as follows.

#### Cash Receipts Journal

Date	Details	Rec. No.	Debtors	Cash Sales	Parts Sales	GST	Sundries	Bank
2008 Oct. 8	Kew Skaters	050	2 200					2 200
11	Cash Sales	051		1 500				1 500
14	Sale of Parts	052			200			200
28	Kew Skaters	053	450					450
29	Cash Sales	054		750				750

#### Cash Payments Journal

Date	Details	Chq. No.	Creditors	Wages	Sundries	Bank
2008 Oct. 5	Wages	600		100		100
5	Nat's Boards	601	200			200
5	Cash (Drawings)	602			300	300
5	Nat's Boards	603	600			600

4 marks

- c. Using **either** the T-format **or** columnar format provided, **complete** the Bank Account in the ledger for Maddi Kram Skateboards.

T-FORMAT

**Bank Account**

Date	Details	Amount \$	Date	Details	Amount \$

**OR**

COLUMNAR FORMAT

**Bank Account**

Date	Particulars	Debit	Credit	Balance

3 marks

- d. **Prepare** a Bank Reconciliation Statement as at 31 October 2008.

**Bank Reconciliation Statement for Maddi Kram Skateboards as at 31 October 2008**

	\$	\$

4 marks

- e. Give one reason why Maddi Kram should complete the bank reconciliation process.

<b>Reason</b>

1 mark

- f. The opening bank balance in the Bank Statement is a CR. **What** does this mean?


1 mark

- g. Maddi has stated that the bank reconciliation process takes a lot of time. **Explain** one process that might help her.


1 mark

- h. **Explain** why records prepared by Maddi's accountant balanced, even though additional transactions were left out.


1 mark

- i. Using all the information provided, **complete** the Sales Journal for Maddi Kram Skateboards.

- 9 November 2008 sold 10 skateboards at \$110 each (incl. GST) (Invoice M125) to Kew Skaters
- 14 November 2008 sold 21 skateboards at \$165 each (incl. GST) (Invoice M126) to Kew Skaters

#### Sales Journal

Date	Debtors	Inv. No.	Sales	GST	Total Debtors

2 marks

- j. Complete** the Debtors Subsidiary Ledger for Kew Skaters, using either the T-format or the columnar format.

**T-FORMAT**

**Debtors Subsidiary Ledger – Kew Skaters**

<b>Date</b>	<b>Details</b>	<b>Amount \$</b>	<b>Date</b>	<b>Details</b>	<b>Amount \$</b>

**OR**

**COLUMNAR FORMAT**

**Debtors Subsidiary Ledger – Kew Skaters**

<b>Date</b>	<b>Details</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>

2 marks

- k. Give one reason** why Maddi should keep debtors subsidiary ledger accounts.

<b>Reason</b>

1 mark

1. **Record** the following documents into the journals provided for the month of December 2008. Total all journals.

**Maddi Kram Skateboards  
Receipt 120**

Date: 1/12/2008  
To: Cash Sales  
For: Skateboards

	\$500.00
GST	50.00
<b>TOTAL</b>	<b>\$550.00</b>

Date: 5/12/2008	Chq. 650
To: Nat's Boards	
For: Account Payment	
This cheque: \$200.00	

**MEMO #2**

Dated: 8/12/2008

Owner took skateboard to give to son as a birthday present.

\$90.00

**Maddi Kram Skateboards  
Receipt 121**

Date: 10/12/2008  
To: Kew Skaters  
For: Account

	\$1 000.00
GST	0.00
<b>TOTAL</b>	<b>\$1 000.00</b>

**Nat's Boards  
Tax Invoice 10**

Dated: 13/12/2008  
To: Maddi Kram Skateboards  
For: Skateboard Parts

GST	100.00
<b>TOTAL</b>	<b>\$1 100.00</b>

Date: 16/12/2008	Chq. 651
To: Sammy	
For: Wages	
This cheque: \$50.00	

**Maddi Kram Skateboards  
Tax Invoice M130**

Dated: 17/12/2008  
To: Kew Skaters  
For: Skateboards

GST	50.00
<b>TOTAL</b>	<b>\$550.00</b>

**MEMO #3**

Dated: 18/12/2008

Donation to AusAid

\$100.00 cash

**Nat's Boards  
Tax Invoice 21**

Dated: 20/12/2008  
To: Maddi Kram Skateboards  
For: Skateboards

GST	50.00
<b>TOTAL</b>	<b>\$550.00</b>

**Maddi Kram Skateboards  
Tax Invoice M131**

Dated: 21/12/2008  
To: Kew Skaters  
For: Skateboards

GST	100.00
<b>TOTAL</b>	<b>\$1 100.00</b>

**Cash Receipts Journal**

Date	Details	Rec. No.	Debtors	Cash Sales	GST	Sundries	Bank

**Cash Payments Journal**

Date	Details	Chq. No.	Creditors	Wages	Sundries	Bank

**Sales Journal**

Date	Debtors	Inv. No.	Sales	GST	Total Debtors

**Purchases Journal**

Date	Creditors	Inv. No.	Stock Control	GST	Total Creditors

**General Journal**

Date	Account	Debit	Credit

10 marks

m. What does the term GST stand for?


1 mark

n. Give two reasons why it is important to maintain all financial records.

<b>Reason 1</b>
<b>Reason 2</b>

2 marks

Total 35 marks

**TURN OVER**



The Trial Balance (before end-of-year adjustments) of Plasma Productions for the year ended 30 June 2008 was as follows.

Account	Debit \$	Credit \$
Accumulated Depreciation – Sales Motor Vehicles		60 000
Bank	39 000	
Capital		75 000
Cost of Sales	60 000	
Creditors Control		15 000
Debtors Control	28 000	
Drawings	15 000	
GST Clearing		6 000
Interest Revenue		3 000
Land and Buildings	206 000	
Mortgage		155 000
Motor Vehicles (Sales Department)	150 000	
Prepaid Advertising Expense	15 000	
Sales		150 000
Stock Control	15 000	
Sundry Creditors – B Lowe		86 000
Term Deposit due 2010	4 000	
Wages	15 000	
Stock Loss	3 000	
	<b>550 000</b>	<b>550 000</b>

#### Additional information

- Sales vehicles are being depreciated over 5 years using the straight line method of depreciation. A new vehicle with a cost price of \$50 000 (excluding GST) and an estimated residual value of \$5 000 was purchased on credit on 1 May 2008.
  - Advertising was paid in advance on 30 April 2008 for the period covering 1 May 2008 to 31 October 2008.
  - A debtor (G Hill) who owes \$1 100 (including GST) is to be written-off as a bad debt.
- c. **Calculate** the depreciation amount for the year ending 30 June 2008 on **all** the sales vehicles. Show all workings.

Total depreciation	\$

2 marks

**Question 2 – continued**  
**TURN OVER**



- e. **Record** the adjustment for Advertising in the following ledger accounts. Use **either** the T-format or columnar format.

## T-FORMAT

**Advertising Expense**

<b>Date</b>	<b>Details</b>	<b>Amount \$</b>	<b>Date</b>	<b>Details</b>	<b>Amount \$</b>

**Prepaid Advertising Expense**

<b>Date</b>	<b>Details</b>	<b>Amount \$</b>	<b>Date</b>	<b>Details</b>	<b>Amount \$</b>
2008 Apr. 30	Bank	15 000			

OR

## COLUMNAR FORMAT

**Advertising Expense**

<b>Date</b>	<b>Details</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>

**Prepaid Advertising Expense**

<b>Date</b>	<b>Details</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>
2008 Apr. 30	Bank			15 000 DR

2 marks

- f. **Complete** the Trading Account to show the Gross Profit (after adjustments) for the year ended 30 June 2008. Use either the T-format or columnar format.

T-FORMAT

**Trading Account**

Date	Details	Amount \$	Date	Details	Amount \$

**OR**

COLUMNAR FORMAT

**Trading Account**

Date	Details	Debit	Credit	Balance

2 marks



**h. Prepare the Current Assets section of the Balance Sheet as at 30 June 2008.**

<b>Current Assets</b>		
	\$	\$

4 marks

Total 25 marks

## FNSIACC307A – RECONCILE AND MONITOR ACCOUNTS RECEIVABLE


### Question 3

**Pet Products** is a pet shop specialising in a wide range of pet care products and pet fashion. Below is information relating to debtors.

Debtors	\$
P Miller	1 700
S Thomson	2 320
B Williams	400
E Wilson	<u>1 260</u>
	<b>\$5 680</b>

Receipt No. 4535

**Pet Products**  
 PO Box 2340  
 Melbourne 3001  
 Ph: 8339 0456  
 Date: 12/6/08




Received from: *P Miller*

The sum of: \$340

For: *part payment of account (discount \$30)*

Received with thanks  
*Monica*

**Pet Products** Date: 13/6/08  
 PO Box 2340  
 Melbourne 3001  
 Ph: 8339 0456  
 Sold To: *B Williams*




Tax Invoice No. 2349a

	Qty	Unit Price	Amount
<i>Dog Kennel</i>	1	132.00	\$132.00
<i>Dog Food</i>	4	55.00	\$220.00
Total (incl. GST)			<b>\$352.00</b>

Credit Terms 5/10, n/30

Memo No. 345

**Pet Products**



Date: 16/6/08

Memo: *Solicitor's letter received stating that B Williams will no longer be able to pay his account. This debt must now be written off.*

*Monica*

- a. **Complete** the journals below with the appropriate information from the source documents provided above.

### Credit Sales Journal

Date	Details	Inv. No.	Sales	GST	Debtors Control
2008 June 2	B Williams	2345a	1 200	120	1 320
5	P Miller	2346a	750	75	825
7	S Thomson	2347a	460	46	506
9	E Wilson	2348a	360	36	396

**Cash Receipts Journal**

<b>Date</b>	<b>Details</b>	<b>Rec. No.</b>	<b>Disc. Exp.</b>	<b>Debtors</b>	<b>Cash Sales</b>	<b>Sundries</b>	<b>Bank</b>
2008 June 4	B Williams	4532		350			350
6	Cash Sales	4533			2500		2500
10	S Thomson	4534		200			200

**General Journal**

<b>Date</b>	<b>Details</b>	<b>Debit</b>	<b>Credit</b>

5 marks

- b. **Record** the relevant entries from the journals and source documents provided on pages 17 and 18 in the Debtors Control Account, using either the T-format or the columnar format. **Complete** the account.

## T-FORMAT

## Debtors Control

Date	Details	Amount \$	Date	Details	Amount \$
2008 June 1	Balance	5 680			

OR

## COLUMNAR FORMAT

## Debtors Control

Date	Details	Debit	Credit	Balance
2008 June 1	Balance			5 680 DR

4 marks

c. **Complete** the Debtors Subsidiary Ledger for B Williams.

T-FORMAT

**Debtors Subsidiary Ledger – B Williams**

<b>Date</b>	<b>Details</b>	<b>Amount \$</b>	<b>Date</b>	<b>Details</b>	<b>Amount \$</b>
2008 June 1	Balance	400			

**OR**

COLUMNAR FORMAT

**Debtors Subsidiary Ledger – B Williams**

<b>Date</b>	<b>Details</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>
2008 June 1	Balance			400 DR

4 marks

d. Provide **one** strategy to reduce the risk of bad debts, other than offering discounts.


1 mark

Total 14 marks

**Question 4**

Steve's Mega Sports provides credit to a number of regular customers and provides the following terms: 5/10, n/30.

**Extract of transactions for July 2008**

- 9 July Smith Street Primary School purchased \$2560 of new athletics equipment on credit (Inv. 3-297s).
- 12 July Received a payment from Smith Street Primary School for full settlement of Inv. 3-245s (Chq. 9845).
- 14 July Brook Street Primary School purchased \$3000 of basketball equipment on credit (Inv. 3-298).

a. **Complete** the Statement of Account provided below with the information above.

<b>Steve's Mega Sports</b> 744 Beach Street Phone: (03) 8398 5430 Fax: (03) 8398 5431 ABN: 56 143 243 134				
<b>Customer:</b> Smith Street Primary School Smith Street Collingwood 3024				Date: 31.07.2008
Date	Details	DR	CR	Balance
July 1	Balance			\$3 100 DR
5	Inv. 3-245s	5 450		8 550 DR
8	Chq. 4356		3 100	5 450 DR
			<b>Balance</b>	<b>\$</b>

4 marks

Steve wants to reduce some of his administrative expenses and is considering **not** sending out Statements of Accounts to credit customers.

b. **Provide one** reason Steve should continue to provide customers with a Statement of Account.

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1 mark

c. **Provide** Steve with one different method of sending his Statements of Accounts out on time.

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1 mark

Total 6 marks