VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY

Victorian Certificate of Education 2012

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

									Letter
Figures									
Words									

VCE VET FINANCIAL SERVICES

Written examination

Thursday 22 November 2012

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

Number of questions	*Number of questions to be answered*	*Number of marks*
3	3	80

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners, rulers and 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 19 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.

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Instructions

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

BSBCMN308A – MAINTAIN FINANCIAL RECORDS

Question 1

Hot Stuff Electrics, operated by Raj, is a small GST-registered business specialising in sales and servicing electrical appliances on a cash and credit basis. All stock purchases are paid for on a cash-only basis, using the perpetual inventory method and 50% mark-up. Raj has provided you with the following journals for the month of October 2012.

Cash Receipts Journal

Date	Details	Rec. No.	Debtors Control $	Sales/ Services $	GST Collected $	Sundries $	Bank $
15 Oct 12	Cash sale	20		400		40	
	Capital	21			5 000		5 440
29 Oct 12	Safonn Ltd.	22	16 500				16 500
31 Oct 12	Cash sale	23		1 100			1 100

Cash Payments Journal

Date	Details	Chq. No.	Amount $	GST Paid $	Bank $
14 Oct 12	Wages	56	1 320		1 320
	Drawings	57	500		500
20 Oct 12	Stock purchases (Andell Ltd.)	58	8 000	800	8 800

Sales/Services Journal

Date	Details	Inv. No.	Sales/ Services $	GST Collected $	Debtors Control $
2 Oct 12	Safonn Ltd.	249	15 000	1 500	16 500
25 Oct 12	Hong Pty. Ltd.	250	1 000		1 100

General Journal

Date	Details	Debit $	Credit $

a. Check the accuracy of the transactions recorded in the journals, making adjustments in the journals for **two** errors found. (Please note, there may be more than two errors.)

2 marks

b. Explain how you would check the accuracy of the transactions recorded in the journals.

_____

_____

1 mark

c. Record the information in the following document in the appropriate journal provided by Raj.

B & W Car Centre	
ABN 61 528 987 985	
Tax invoice:	351
Date:	31-Oct-12
Sold on credit to:	Hot Stuff Electrics
Item:	Vehicle repair
Total (GST included):	$330.00
Terms: Amount due in 30 days.	

3 marks

d. Compare the following Bank Reconciliation Statement for September 2012 and the Bank Statement for October 2012 with the relevant journals. Complete the journals where appropriate and prepare a Bank Reconciliation Statement as at 31 October 2012.

Bank Reconciliation Statement
as at 30 September 2012

		$	
Balance as per bank statement		4 000	DR
Less Deposits not yet credited		2 000	
		2 000	
Add Unpresented Cheques			
	Chq. No. 49	4 000	
	Chq. No. 51	500	
Balance as per bank account		6 500	CR

Australia Bank
Bank Statement for October 2012

Account Name: Hot Stuff Electrics
BSB No.: 345 222
Account No.: 125 878 999

Date	Details	Debit	Credit	Balance
2012		$	$	$
1 Oct	Balance carried fwd			4 000 DR
3 Oct	Chq. No. 51	500		4 500 DR
14 Oct	Bank fees	30		4 530 DR
15 Oct	Deposit		5 440	910 CR
20 Oct	Chq. No. 56	1 320		410 DR
21 Oct	Chq. No. 58	8 800		9 210 DR
22 Oct	Direct credit – Raj capital		2 500	6 710 DR
30 Oct	Deposit		16 500	9 790 CR

Bank Reconciliation Statement as at 31 October 2012

	$	$

8 marks

e. Post the journals to the General Ledger. You may use the T-format **or** the columnar format.

T-FORMAT

Date	Details	Amount $	Date	Details	Amount $

Cash at Bank

			1 Oct 12	Balance	6 500

Debtors Control

1 Oct 12	Balance	10 000			

Stock Control

1 Oct 12	Balance	15 000			

Vehicle

1 Oct 12	Balance	55 000			

GST Clearing

			1 Oct 12	Balance	2 000

Capital – Raj

			1 Oct 12	Balance	30 000

Sales/Services

Wages

OR

COLUMNAR FORMAT

Date	Details	Debit $	Credit $	Balance $

Cash at Bank

1 Oct 12	Balance			6 500 CR

Debtors Control

1 Oct 12	Balance			10 000 DR

Stock Control

1 Oct 12	Balance			15 000 DR

Vehicle

1 Oct 12	Balance			55 000 DR

GST Clearing

1 Oct 12	Balance			2 000 CR

Capital – Raj

1 Oct 12	Balance			30 000 CR

Sales/Services

Wages

17 marks

f. Briefly explain how you would check the accuracy of amounts posted to the General Ledger.

1 mark

g. The suppliers of stock to the business have offered Raj credit terms of 30 days with a 5% discount if invoices are settled in 14 days. Raj is unsure if he will be able to maintain control over his supplier accounts under this system.

Briefly explain how you would establish a system to help Raj maintain control over his creditors.

2 marks

h. Briefly explain the purpose of financial records.

1 mark

BSBADM408A – PREPARE FINANCIAL REPORTS

Question 2

Peta is the owner of The Dancing Queen Music Store. Her business specialises in selling music products, such as CDs, and new-release DVDs. The majority of sales are for cash, however, Peta has extended a line of credit to some regular customers. Peta's business as at 1 October 2012 has a bank balance of $2560 DR.

The business prepares reports monthly.

Below is an extract of her cash journals for October 2012.

Cash Receipts Journal

Date	Details	Rec. No.	Debtors Control $	Cash Sales $	GST Collected $	Sundries $	Bank $
31 Oct 12	Totals	–	6600	24400	2440	1000	34440

Note: The Sundries column consists of a contribution of $1000 from Peta.

Cash Payments Journal

Date	Details	Chq. No.	Creditors Control $	Wages $	Drawings $	Stock Control $	GST Paid $	Sundries $	Bank $
31 Oct 12	Totals	–	2400	2220	1500	4100	570	4240	15030

Note: The Sundries column includes a loan repayment to Western Banking of $1000 (including $500 interest), operating expenses of $1600 and a GST payment to the Australian Taxation Office (ATO) of $1640.

a. Prepare the Cash Flow Statement extract below to show the Operating Activities for October 2012.

The Dancing Queen Music Store
Cash Flows from Operating Activities for the month ended 31 October 2012

	$	**$**
Net Cash Flow from Operating Activities		

3 marks

b. Calculate the Bank Balance as at 31 October 2012

Working space	
Bank Balance as at 31 October 2012	$

2 marks

At the end of October the following Pre-adjusted Trial Balance was prepared for The Dancing Queen Music Store.

The Dancing Queen Music Store

Pre-adjusted Trial Balance as at 31 October 2012

Account	Debit $	Credit $
Advertising Expense	1 000	
Cash at Bank		
Capital		
Cartage In	160	
Cost of Sales	7 200	
Creditors Control		2 200
Debtors Control	5 200	
Delivery Vans	18 000	
Drawings	2 000	
Equipment	12 000	
GST Clearing		460
Interest Expense	500	
Land & Buildings	205 000	
Loan: Western Banking (due 2016)		50 000
Mortgage (due 2020)		140 000
Prepaid Rent Revenue		2 000
Sales		30 600
Shop Fittings	2 060	
Stock Control	10 400	
Vehicle Expenses	610	
Wages Expense	2 220	

c. From the information provided, complete the Pre-adjusted Trial Balance by calculating the balance in the Capital Account.

Working space

Capital as at 31 October 2012	$

3 marks

d. Using the additional information below, prepare the General Journal entries required to record

- Wages owing for October
- depreciation of the Delivery Vans
- correcting entry for Drawings
- Rent Revenue for October.

Narrations are **not** required.

Additional information

- Wages owing on 31 October 2012 is $170.
- Delivery Vans are to be depreciated at a rate of 20% per annum on cost.
- During the month, $500 of Drawings was incorrectly debited to the Sales account.
- Prepaid Rent Revenue was received on 1 October for two months from October 2012.
- Mortgage is payable at $2000 per month.

General Journal

Date	Details	Debit $	Credit $

9 marks

e. Reconstruct the following General Ledger accounts for October 2012, using the T-format **or** the columnar format. Close or balance these General Ledger accounts.

- Profit & Loss Summary
- Capital

T-FORMAT

Profit & Loss Summary

Date	Details	Amount $	Date	Details	Amount $

Capital

Date	Details	Amount $	Date	Details	Amount $

OR

COLUMNAR FORMAT

Profit & Loss Summary

Date	Details	Debit $	Credit $	Balance $

Capital

Date	Details	Debit $	Credit $	Balance $

8 marks

FNSICACC307A – RECONCILE AND MONITOR ACCOUNTS RECEIVABLE

Question 3

Nellie's Nappy Wash Service specialises in quick and reliable nappy washing for parents who use cloth nappies. The business offers credit terms of 5/5, 2/15, n/30. Below is information relating to Debtor balances as at 30 September 2012.

Debtors	$
S Fryer	1 300
D Donald	2 760
M Minh	1 100
	5 160

a. Explain what credit terms of 5/5, 2/15, n/30 mean.

1 mark

b. Complete the source documents using the transactions below.

2 October S Fryer paid his account in full. The original transaction occurred on 30 September (Receipt No. 234).

10 October M Minh paid her account in full. The original transaction occurred on 29 September (Receipt No. 235).

Receipt No.: 234

Nellie's Nappy Wash Service
PO Box 233
Melbourne 3000
Ph: 4832 4444

Date:

Received from:

The sum of: $

Disc.: $

For: Payment of Account

Received With Thanks

Receipt No.: 235

Nellie's Nappy Wash Service
PO Box 233
Melbourne 3000
Ph: 4832 4444

Date:

Received from:

The sum of: $

Disc.: $

For: Payment of Account

Received With Thanks

4 marks

c. Complete the Cash Receipts Journal, the Services Journal and the General Journal using the completed source documents from **part b.** as well as the source documents below. Narrations **are** required in the General Journal.

Nellie's Nappy Wash Service Tax Invoice No.: 115
PO Box 233 *15 October 2012*
Melbourne 3000
Ph: 4832 4444

Sold to: *M Minh*

	Weeks	Unit Price	Amount
Nappy wash service	*2*	*330*	*$660*
Total (incl. GST)			*$660*

Receipt No.: 236

Nellie's Nappy Wash Service
PO Box 233
Melbourne 3000
Ph: 4832 4444

Date: *17 October 2012*

Received from: *M Minh*

The sum of: $ *627*

Disc.: $ *33*

For: Payment of Account

Received With Thanks

Memo No.: 33

Nellie's Nappy Wash Service

Date: *22/10/2012*

Memo: *Received a letter from D Donald's solicitor saying that D Donald will be able to pay back only 40 cents of every $1 he owes. A cheque was included with the letter. The rest of the debt must now be written off.*

Cash Receipts Journal

Date	Details	Rec. No.	Disc. Exp. $	Debtors Control $	Services $	GST Collected $	Sundries $	Bank $

Services Journal

Date	Details	Invoice No.	Services $	GST Collected $	Debtors Control $

General Journal

Date	Details	Debit $	Credit $

8 marks

d. Record all the relevant entries from the journals in the Debtors Control account, using the T-format **or** the columnar format.

T-FORMAT

Debtors Control

Date	Details	Amount $	Date	Details	Amount $
1 Oct 12	Balance	5 160			

OR

COLUMNAR FORMAT

Debtors Control

Date	Details	Debit $	Credit $	Balance $
1 Oct 12	Balance			5 160 DR

3 marks

e. Complete the Debtors Subsidiary Ledger for D Donald, using the T-format **or** the columnar format.

T-FORMAT

Debtors Subsidiary Ledger **D Donald**

Date	Details	Amount $	Date	Details	Amount $
1 Oct 12	Balance	2 760			

OR

COLUMNAR FORMAT

Debtors Subsidiary Ledger **D Donald**

Date	Details	Debit $	Credit $	Balance $
1 Oct 12	Balance			2 760 DR

2 marks

f. List two recovery actions or measures that could be used by Nellie's Nappy Wash Service to collect monies owed to it by debtors.

1. _____

_____

2. _____

_____

2 marks

END OF QUESTION AND ANSWER BOOK