

# Accounting 2019 v2.0

## Unit 1 sample assessment instrument

February 2019

### Examination — combination response

This sample has been compiled by the QCAA to assist and support teachers in planning and developing assessment instruments for individual school settings.

Schools develop internal assessments for each senior subject, based on the learning described in Units 1 and 2 of the subject syllabus. Each unit objective must be assessed at least once.

### Assessment objectives

This assessment instrument is used to determine student achievement in the following objectives:

1. comprehend accounting concepts, principles and processes relating to accounting and end-of-month reporting for a service business
2. apply accounting principles and processes relating to accounting and end-of-month reporting for a service business
3. analyse and interpret financial data and information relating to accounting and end-of-month reporting for a service business
4. evaluate accounting practices relating to end-of-month reporting for a service business to make decisions and propose recommendations
6. create a business report (extract) that communicates meaning to business owners and other stakeholders of a service business.

**Note:** Objective 5 is not assessed in this instrument.

<b>Subject</b>	Accounting		
<b>Technique</b>	Examination — combination response		
<b>Unit</b>	Unit 1: Real-world accounting		
<b>Topic</b>	<ul style="list-style-type: none"> <li>• Topic 1: Accounting for a service business — cash, accounts receivable, accounts payable and no GST</li> <li>• Topic 2: End-of-month reporting for a service business — no GST</li> </ul>		

<b>Conditions</b>			
<b>Response type</b>	Combination response		
<b>Time</b>	2 hours	<b>Planning time</b>	15 minutes
<b>Other</b>	<ul style="list-style-type: none"> <li>• Examination to be completed in one sitting</li> <li>• Non-programmable calculator permitted</li> </ul>		
<b>Instructions</b>			
<p>You are required to complete each part of the examination as follows:</p> <ul style="list-style-type: none"> <li>• Part A, Part B Question 5, and Part C on the assessment paper in the space provided</li> <li>• Part B Question 4 using spreadsheeting software.</li> </ul>			
<b>Feedback</b>			

**Part A — short items**

**Question 1 (Comprehending)**

Teresa Green has recently converted her house into a trendy new backpackers' hostel. While she has acquired a business loan of \$250,000.00 to renovate the property, she also used the leftover funds to purchase a new car for her own use.

Advise Teresa on how to disclose this accounting information for the backpackers' hostel.

Write a 100-word paragraph response in the space provided below.

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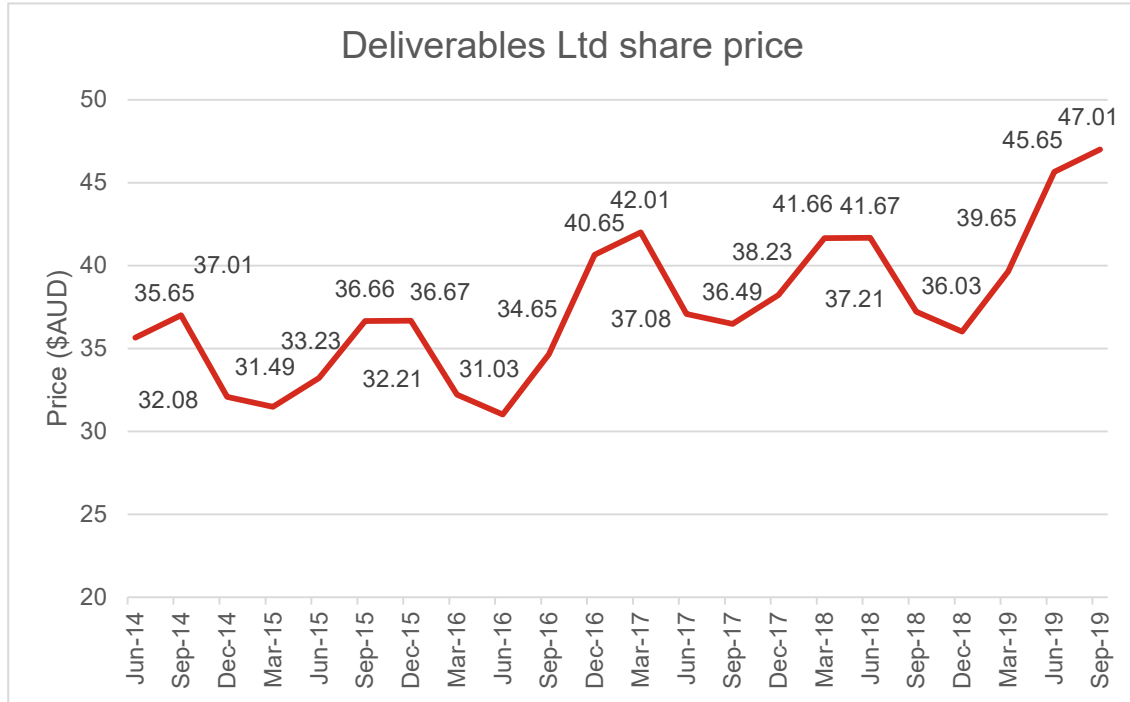
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**Question 2 (Comprehending)**

Deliverables Ltd is a public company that specialises in the logistics of delivering products to retailers around the country.



Explain how a shareholder would use the above graph and any other accounting information to determine what to do with their investment: buy, hold or sell.

Write a 100-word paragraph response in the space provided below.

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**Question 3 (Comprehending)**

Using the following accounting data of CamMorgan, a small engineering consultancy firm, calculate the value of capital as at 31 May 2019.

<b>CamMorgan Trial Balance as at 31 May 2019</b>	
	<b>\$</b>
Consulting Revenue	38,827.27
A Designer (A/c Receivable)	11,300.00
Rent Expense	4,333.27
Tools and Equipment	22,400.00
Consumable Supplies Expense	9,900.00
Capital	?????
Cash at Bank	30,370.00
Motor Vehicle Expenses	1,125.00
Salaries and Wages	8,000.00
Advertising	990.00
Electricity	449.00
Motor Vehicle	24,000.00
Drawings	7,500.00
Dawe and Son (A/c Receivable)	12,300.00
Construction Inc (A/c Receivable)	16,660.00
Construct Us Ltd (A/c Payable)	21,500.00

**Workings:**

**Capital balance:** \_\_\_\_\_

**Part B — practical items**

**Question 4 (Applying)**

Bill Ding started a new service business on 1 September 2019. The business is not registered for GST.

Bill Ding's Electrical Solutions  
ABN 33 422 258 445  
3456 Melbourne Street  
South Brisbane QLD 4101

Using the information provided, apply accounting principles and processes to:

1. set up the business using a computerised accounting software package
2. record transactions using the general journal function
3. generate the transaction journal
4. generate the trial balance.

Sep 1	Owner contributed cash	50,000.00
	Purchased equipment for cash	21,375.92
4	Purchased supplies for cash	1,943.87
9	Purchased supplies on credit from Electrical Supplies Pty Ltd (ABN 33 422 258 459; 14 Electrical Way, Ampere QLD 4999)	5,476.32
10	Sold equipment for cash for book value	1,100.00
12	Charged fee for services provided to Carrie Oake	840.00
13	Customer paid cash for rewiring of an industrial shed	3,300.00
15	Bob Katz charged for plumbing work at our premises	3,300.00
18	Paid electricity bill for premises (supplier: Spark Ltd, ABN 33 422 258 471; 21 Voltage Way, Brisbane QLD 4000)	440.00
21	Bill Ding withdrew cash	1,000.00
	Paid business insurance (supplier: Insurus Ltd, ABN 33 422 258 483; 1248 Insure Way, Brisbane QLD 4000)	2,200.00
23	Payment made for electricity on 18 September should have been for \$400.00	

**Question 5 (Applying)**

Referring to the general ledger account provided below for Sal Moran Tutoring Services, apply accounting principles and processes to prepare a Statement of Cash Flows as at 30 April 2019.

**Sal Moran Tutoring Services  
General Ledger (Extract)  
Cash at Bank a/c**

<b>Date</b>	<b>Particulars</b>	<b>Amount</b>		<b>Date</b>	<b>Particulars</b>	<b>Amount</b>	
Apr-01	Capital	50,000	00	Apr-01	Shares in KSH Co	12,520	70
7	Tutoring Fees	8,454	50	6	Rates	2,320	80
9	Loan	5,000	00	7	Drawings	1,500	00
11	Tutoring Fees	5,665	80	14	Advertising	1,770	00
12	Dividend from Shares	4,980	32	15	Wages	5,750	00

**Sal Moran Tutoring Service  
Statement of Cash Flows  
as at 30 April 2019**

	\$	\$	\$

**Question 6 (Analysing)**

OzTransportUs Ltd is a national transportation service public company that provides holistic public transportation solutions to metropolitan and regional locations throughout Australia.

A sole trader business, Sandi's Skateboards, has been in operation for three months and can see the potential to contract its services to OzTransportUs Ltd to change how people choose to travel locally.

Sandi's Skateboards would like to offer a service providing electric skateboards for hire. A downloadable app would enable members of the public to hire an electric skateboard for a particular period of time.

OzTransportUs Ltd is interested in this service and will consider contracting Sandi's Skateboards to deliver it. The intention would be to pilot the service in one region over the next three months to determine the level of interest and the feasibility of the initiative.

Create a business report (extract) of 400–500 words that:

- analyses and interprets the financial statements provided to determine the viability of the sole trader business being able to provide this service within the pilot period
- evaluates the impact of the changes needed to end-of-month reporting in order for the sole trader business to be able to contract their service to the public company.

<b>Sandi's Skateboards</b>		
<b>Statement of Profit or Loss</b>		
<b>for the three-month period ending 30 September 2019</b>		
	\$	\$
<b>Revenue</b>		
Hire Fees		32,433.59
<b>Expenses</b>		
Advertising	3,300.00	
Electricity	5,420.00	
Insurance	3,000.00	
Motor Vehicle Expenses	880.00	
Other Expenses	2,635.00	
Rent Expense	1,200.00	
Wages and Salaries	12,000.00	28,435.00
<b>Net Profit</b>		<b>\$3,998.59</b>



**Sandi's Skateboards  
Statement of Financial Position  
as at 30 September 2019**

	\$	\$
<b>Assets</b>		
Cash at Bank	22,437.00	
Office Equipment	3,200.00	
Skateboards (50 units)	10,000.00	35,637.00
<b>Less Liabilities</b>		
Loan (Zahza Bank)		12,035.00
<b>Net Assets</b>		<b>\$23,602.00</b>
<b>Owner's Equity</b>		
Capital	19,603.41	
Add Net Profit	3,998.59	
		<b>\$23,602.00</b>