

External assessment 2022

Stimulus book

Accounting

General instruction

- Work in this book will not be marked.

Case study 1 (Stimulus 1–5) Kurt's Kovers

Stimulus 1

Kurt has been making outdoor furniture covers for friends and family and has decided to set up a business because of an increase in demand for his products. The business commenced on 23 June 2020 with a view to begin trading at the start of the following financial year. Kurt has provided some documents to help in setting up the business called Kurt's Kovers.

Stimulus 2

Monthly Business Bank Statement	Month	Previous Balance	Total Deposits
	June	\$0.00	\$15 000
	Statement Issue Date	Ending Balance	Total Withdrawals
	30/6/2020	\$15 000	\$0.00

Kurt's Kovers

Deposit no.	Transaction ID	Date	Amount	Description	Balance
1	EFT01353	23/6/2020	\$5 000	Deposit from Kurt	\$5 000 CR
2	BNK012	30/6/2020	\$10 000	Opening of Small Business Loan	\$15 000 CR

Stimulus 3

The supply of completed products on hand today, 20 June 2020, is valued at \$950.00.
On 21 June 2020 I will be getting a valuation of some things I want to use in the business.
Kurt

Stimulus 4

Business Valuation		
Kurt	Date 21/6/2020	
ITEMS	Quantity	Market Valuation \$
Tools	1	2 500
Laptop	1	500
Furniture	1	235
Machinery	1	3 000
Mobile phone	1	975
TOTAL		7 210

Please note: the valuation provided shows the current market value of the assets.

SIGNED: *Kurt Kaymon*

DATE: 21/6/2020

Stimulus 5

Statement of Account		Date of issuance	Loan balance	Interest paid	
Small Business Loan #1		30/6/2020	\$10 000	\$0.00	
		Repayments per month	Interest rate	Term	
		\$300	5%	5 years	
Statement Period: 1/6/20 to 30/6/20					
Business Name: Kurt's Kovers					
Entry	Transaction ID	Date	DR	CR	Balance
1	BNK012 Opening Balance	30/6/2020	\$10 000		\$10 000

Case study 1 (Stimulus 6–8) Kurt's Kovers

Stimulus 6

Kurt's outdoor furniture covers business has been trading since 1 July 2020. The shed Kurt has been operating the business out of is available for purchase for \$30 000 plus GST. He is also considering the purchase of a delivery vehicle valued at \$30 000 plus GST. To finance one of these options, Kurt has been pre-approved for a loan of \$30 000 to be taken over 5 years, with monthly repayments of \$649 (principal and interest).

Kurt is not sure which, if either, of these options would be in the best interests of his business and maintain his goal of minimally impacting the profitability of his business. He has asked for your advice to help make this decision. To assist, Kurt has provided relevant documentation.

Stimulus 7

Trial Balance (Extract) at 30 June		
	2022	2021
Accumulated Depreciation — laptop	250	125
Accumulated Depreciation — machinery	600	300
Accumulated Depreciation — mobile telephone	480	240
Accumulated Depreciation — office furniture	48	24
Accumulated Depreciation — tools	1 120	540
Cash at bank	7 800	13 400
Cost of goods sold	22 464	18 720
Electricity expense	1 600	1 600
Fuel — delivery vehicle	1 500	1 250
Hire fees — delivery vehicle	6 000	6 000
Insurance expense	1 750	1 600
Interest expense	200	500
Inventory	1 400	1 250
Lease expense — shed	3 600	3 600
Loan from bank	0	6 900
Sales	74 880	62 400
Telephone expense	1 200	1 200

Stimulus 8

<p>Statement of Account Small Business Loan #1</p> <p>Statement Period: 1/6/21–30/6/21 Business Name: Kurt’s Kovers</p>			Date of issuance	Loan balance	Interest paid
			30/6/2021	\$10 000.00	\$500
			Repayments per month	Interest rate	Term
			\$300	5%	5 years
Entry	Transaction ID	Date	DR	CR	Balance
19	INT014 Interest	1/6/2021	41.67		7 200 DR
20	BNK012	30/6/2021		300	6 900 DR

Case study 2 (Stimulus 9–10) The Motel Company

Stimulus 9

The Motel Company
Statement of Profit or Loss
For the year ended 30 June

	2022 \$m	% Sales	2021 \$m	% Sales
Continuing operations				
Sales	91.31	100.00	89.56	100.00
Other revenue	3.69	4.04	1.17	1.31
Revenue	95.00	104.04	90.73	101.31
Cost of sales	−58.41	−63.97	−39.87	−44.52
Gross profit	36.59	40.07	50.86	56.79
Change in fair value of investment properties	13.46	14.74	63.49	70.89
Employee expenses	−8.41	−9.21	−12.18	−13.60
Marketing expenses	−3.07	−3.36	−6.70	−7.48
Occupancy expenses	−0.30	−0.33	−0.51	−0.57
Property expenses	−0.62	−0.68	−0.49	−0.55
Administration expenses	−2.60	−2.85	−4.07	−4.54
Finance costs	0.00	0.00	−0.92	−1.03
Other expenses	−3.95	−4.33	−2.09	−2.33
Share of net gain/(loss) of associates and joint ventures accounted for using the equity method	2.35	2.57	0.17	0.19
Profit from continuing operations before income tax	33.45	36.63	87.56	97.77
Income tax expense	−8.34	−9.13	−9.43	−10.53
Profit for the year	25.11	27.50	78.13	87.24
Profit for the year is attributable to:				
Owners of The Motel Company	20.84	22.82	72.66	81.13
Non-controlling interests	3.77	4.12	4.69	5.23
Net profit after tax attributable to shareholders	24.61	26.95	77.35	86.37
Other non-controlling interests	0.50	0.55	0.78	0.87
	25.11	27.50	78.13	87.24

Stimulus 10

The Motel Company Consolidated Statement of Comprehensive Income For the year ended 30 June

	2022 \$m	% Sales	2021 \$m	% Sales
Profit for the year	25.11	27.50	78.13	87.24
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	0.11	0.12	0.94	1.05
Other comprehensive income for the year, net of tax	0.11		0.94	
Total comprehensive income for the year	25.22	27.62	79.07	88.29
Total comprehensive income for the year is attributable to:				
Owners of The Motel Company	20.94	22.92	73.54	82.11
Non-controlling interest	3.78	4.14	4.74	5.30
Total comprehensive income for the year attributable to shareholders	24.72	27.07	78.28	87.40
Other non-controlling interests	0.50	0.55	0.79	0.88
	25.22	27.62	79.07	88.29

Earnings per share (cents per share)	2022	2021
Basic earnings per share	22.10	63.30
Diluted earnings per share	22.10	63.30
EBITDA	159.40	417.70

Industry benchmarks	2022	2021
Net profit ratio	21.65321	22.85231
Gross profit ratio	47.28396	48.43051



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