

External assessment 2023

Question and response book



# Accounting

## Time allowed

- Planning time — 15 minutes
- Working time — 120 minutes

## General instructions

- Answer all questions in this question and response book.
- QCAA-approved calculator permitted.
- QCAA formula book provided.
- Planning paper will not be marked.



## **Section 1 (10 marks)**

- 10 multiple choice questions

## **Section 2 (68 marks)**

- 3 short response questions
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# Section 1

## Instructions

- This section has 10 questions and is worth 10 marks.
- Use a 2B pencil to fill in the A, B, C or D answer bubble completely.
- Choose the best answer for Questions 1–10.
- If you change your mind or make a mistake, use an eraser to remove your response and fill in the new answer bubble completely.

	A	B	C	D
Example:	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	A	B	C	D
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9.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Ensure you have filled an answer bubble for each question.

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## Section 2

### Instructions

- Write using black or blue pen.
  - Respond in paragraphs consisting of full sentences.
  - If you need more space for a response, use the additional pages at the back of this book.
    - On the additional pages, write the question number you are responding to.
    - Cancel any incorrect response by ruling a single diagonal line through your work.
    - Write the page number of your alternative/additional response, i.e. See page ...
    - If you do not do this, your original response will be marked.
  - This section has three questions and is worth 68 marks.
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### Question 11 (10 marks)

Read Case study 1 (Stimulus 1) in the stimulus book.

- a) Record the balance day adjustments in the worksheet for the two issues identified. Add the further accounts required and complete the Adjusted Balance column for the affected accounts. [8 marks]

Worksheet (extract) for Whitegoods Retailer as at 30 June 2023				
Unadjusted Balance of Accounts	Adjustments		Adjusted Balance	
	DR	CR	DR	CR
	\$	\$	\$	\$
Inventories	4 590			
Accounts receivable	13 500			
Bad and doubtful debts (expense)	9 700			
Interest revenue	156			
GST collected	2 300			
Depreciation on retail fittings	4 000			
Cost of goods sold	5 000			
Sales	79 880			

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Sales returns and allowances	3 400				
Dividends received	450				
Sales commission paid	3 999				
Office staff salaries	15 976				
Insurance	6 000				
Cartage on sales	700				
Accounts payable	8 700				
Bank charges	320				
Rates	1 700				
Sales staff wages	23 964				
Repairs and maintenance of delivery vehicle	7 000				
Cash at bank	15 000				
Depreciation on delivery vehicle	8 000				

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b) Explain one limitation and one benefit of recording inventories at net realisable value. [2 marks]

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**Question 12 (29 marks)**

Read Case study 2 (Stimulus 2–3) in the stimulus book.

- a) Prepare a fully classified Statement of Profit or Loss for the years ended 30 June 2022 and 30 June 2023. [12 marks]

<b>Camilla's Coffee Van</b>					
<b>Statement of Profit or Loss for year ended 30 June</b>					
	2023			2022	
	\$	\$	\$	\$	\$

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**Note:** If you make a mistake in the Statement of Profit or Loss, cancel it by ruling a single diagonal line through your work and use the additional response space on page 29 of this question and response book.

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b) Prepare a fully classified Statement of Financial Position for the years ended 30 June 2022 and 30 June 2023. [10 marks]

<b>Camilla's Coffee Van</b>						
<b>Statement of Financial Position for year ended 30 June</b>						
	<b>2023</b>			<b>2022</b>		
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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**Note:** If you make a mistake in the Statement of Financial Position, cancel it by ruling a single diagonal line through your work and use the additional response space on page 31 of this question and response book.

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c) Advise Camilla of the business's potential to reach its goal. Refer to the bank's requirements and two other ratios in your response. Calculations should be rounded to two decimal points. [7 marks]

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### Question 13 (29 marks)

Read Case study 3 (Stimulus 4) in the stimulus book.

The Supermarket Company is considering expansion through the purchase of local grocery stores in regional Queensland towns in the next financial year. The board of directors has approached you with their comparative financial statements for analysis and evaluation, and is seeking your advice on the feasibility of the proposed expansion plans.

- a) Using four relevant ratios, analyse and interpret the liquidity of The Supermarket Company across the financial years 2022 and 2023. Show your working for the ratio calculations. [12 marks]

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b) Using Stimulus 4, trend analysis and two relevant ratios, analyse and interpret the stability of the company across the four years. Show your working for the ratio calculations. [12 marks]

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c) Evaluate the performance of the company using Stimulus 4 and your analysis from Questions 13a) and 13b) to provide a justified decision and recommendation to the board of directors about the proposed plans. [5 marks]

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### Additional response space for Question 12a)

If you want this statement to be marked, rule a single diagonal line through the Statement of Profit or Loss on page 7.

Camilla's Coffee Van Statement of Profit or Loss for year ended 30 June						
	2023			2022		
	\$	\$	\$	\$	\$	\$

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**Additional response space for Question 12b)**

If you want this statement to be marked, rule a single diagonal line through the Statement of Financial Position on page 9.

<b>Camilla's Coffee Van</b>					
<b>Statement of Financial Position for year ended 30 June</b>					
	<b>2023</b>			<b>2022</b>	
	\$	\$	\$	\$	\$

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