



Accounting 2025 1.2

IA3: Sample assessment instrument

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

Student name	sample only
Student number	sample only
Teacher	sample only
Exam date	sample only

Marking summary

Criterion	Marks allocated	Provisional marks
Comprehending	5	
Synthesising	7	
Analysing	6	
Evaluating	4	
Communicating	3	
Overall	25	

Conditions

Technique	Examination — combination response
Unit	Unit 4: Accounting — the big picture
Topic/s	Topic 1: Fully classified financial statement reporting and analysis for a sole trader business
Time	Planning time: 15 minutes Working time: 120 minutes
Individual / group	Individual
Seen / Unseen	Unseen questions Seen stimulus
Other	<p>Students may use technology, including:</p> <ul style="list-style-type: none">• spreadsheet software for practical question• word processing software for all other questions• QCAA-approved non-programmable calculator. <p>Students must not:</p> <ul style="list-style-type: none">• bring notes or other resources into the examination• use a computerised accounting package for this examination. <p>The teacher must, for the extended response question:</p> <ul style="list-style-type: none">• provide a copy of the stimulus seven days prior to the examination• not discuss the stimulus with students either individually or as a class• provide an unannotated form of the stimulus at the start of the examination.

Instructions

You are required to complete each part of the examination as follows:

- Question 1 and 2 using word processing software
- Question 3 on the examination paper using black or blue pen
- Question 4 using word processing software.

Save your completed word processing work in the exam drive as required by your teacher.

Short response

Question 1

A recently appointed junior bookkeeper of a small produce supplies business is finalising the accounting records prior to completing draft financial reports as at 30 June. She has calculated that there is \$10,700 owing for over 90 days from various Accounts Receivable clients. Currently there is no provision for doubtful debts.

Explain why she should include entries in the accounting records to address this issue.

Question 2

The following balance day adjustment has been omitted from the books of a business on 30 June 2025:

- Wages expense of \$10,500 was still owing.

Assuming accrual accounting, explain the effect of this omission on the Statement of Profit or Loss for the current period and the following period.

Practical response

Question 3

Context

Amy Smith is the sole trader owner of a craft business that currently operates in rented premises. She wishes to borrow funds to buy her own building, costing \$250,000, in which to expand her business. As part of her loan application Amy is required to submit the latest financial statements. She has a goal of reducing her initial loan, should it be approved, by \$40,000 over the next twelve months.

Task

Using the Question 3 unseen financial data and information, the general journal (extract), and partially completed fully classified statements, synthesise and solve the problem by:

- identifying and correcting the five conceptual errors in the general journal (extract) and the partially completed financial statements (**Note:** Correct any consequential errors but do not identify them as errors)
- completing the fully classified Statement of Profit or Loss for the year ended 30 June 2025
- completing the fully classified Statement of Financial Position as at 30 June 2025
- synthesising two possible options Amy might consider implementing to achieve her goal of reducing her loan by \$40,000 over the next twelve months.

General journal (extract)

Jane prepared the following general journal entries to record the adjustments on 30 June 2025.

General Journal (extract)

Date	Particulars	Debit	Credit
2025 June 30	Inventories adjustment	1 500	
	Inventories control		1 500
	Provision for doubtful debts	400	
	Bad and doubtful debts		400
	Bad and doubtful debts	800	
	Provision for doubtful debts		800
	Accrued revenue	300	
	Interest revenue		300
	Wages	400	
	Accrued expenses		400
	Depreciation on delivery vehicles	6 800	
	Accumulated depreciation on delivery vehicles		6 800
	Depreciation on furniture	1 350	
	Accumulated depreciation on furniture		1 350

Jane also partially completed the Statement of Profit or Loss and the Statement of Financial Position.

[illegible]

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Extended response

Question 4

Context

Miss Grace Smith is a sole trader owner of a wholesale florist and gift shop. She buys and sells her stock using both credit and cash and currently offers 30-day terms to credit customers.

Task

Using the Question 4 seen stimulus, create a business report (extract) to:

- analyse and interpret the financial data and information of Smith's Wholesale Flowers and Gifts relating to liquidity
- evaluate the current accounting practices of Smith's Wholesale Flowers and Gifts to make decisions and propose recommendations to improve the business's liquidity.

Instrument-specific marking guide (IA3): Examination — combination response (25%)

Comprehending	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • identification of significant characteristics in the response • thorough understanding of accounting concepts, principles and/or processes • perceptive use of accounting terminology 	4–5
<ul style="list-style-type: none"> • identification of appropriate characteristics in the response • adequate understanding of accounting concepts, principles and/or processes • adequate use of accounting terminology 	2–3
<ul style="list-style-type: none"> • identification of inappropriate characteristics in the response • vague or partial understanding of accounting concepts, principles and/or processes • inconsistent and/or narrow use of accounting terminology. 	1
The student response does not match any of the descriptors above.	0

Synthesising	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • effective application of significant and relevant accounting principles and processes to identify and correct the 5 conceptual errors relating to fully classified financial statement reporting for a sole trader business • effective application of accounting principles and processes to accurately generate the Statement of Profit or Loss and Statement of Financial Position • results from the financial statements effectively used to thoroughly solve the goal-oriented problem 	6–7
<ul style="list-style-type: none"> • appropriate application of relevant accounting principles and processes to identify and correct 3–4 conceptual errors relating to fully classified financial statement reporting for a sole trader business • appropriate application of accounting principles and processes to generate the Statement of Profit or Loss and Statement of Financial Position • solution produced that effectively solves the goal-oriented problem 	4–5
<ul style="list-style-type: none"> • fundamental application of accounting principles and processes to identify and correct 1–2 conceptual errors relating to fully classified financial statement reporting for a sole trader business • application of fundamental accounting principles and processes to generate the Statement of Profit or Loss and Statement of Financial Position • solution produced that solves elements of the goal-oriented problem 	2–3
<ul style="list-style-type: none"> • inconsistent application of accounting principles and processes to identify minimal conceptual errors • rudimentary application of accounting principles and processes to complete aspects of the Statement of Profit or Loss and Statement of Financial Position • inappropriate or partial solution produced. 	1
The student response does not match any of the descriptors above.	0

Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> examines financial data and information through the identification of significant and relevant relationships thorough interpretation of trends in the financial data and information thorough and logical explanation of issues for one area of performance 	5–6
<ul style="list-style-type: none"> examines financial data and information through the identification of relationships interpretation of trends in the financial data and information explanation of issues for one area of performance 	3–4
<ul style="list-style-type: none"> examines financial data or information through the identification of superficial relationships superficial interpretation of financial data or information narrow or partial statements about the issues. 	1–2
The student response does not match any of the descriptors above.	0

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> perceptive judgments for proposed changes to practices of financial management relating to one area of performance thoroughly justified decisions for the area of performance relevant to the accounting context convincing recommendations for the area of performance relevant to the accounting context 	3–4
<ul style="list-style-type: none"> judgments for proposed changes to practices of financial management relating to one area of performance decisions for the area of performance relevant to the accounting context recommendations for the area of performance suitable for the accounting context 	2
<ul style="list-style-type: none"> rudimentary or partial judgments for proposed changes to practices of financial management relating to one area of performance inconsistent or partial decisions for the accounting context inconsistent or partial recommendations for the accounting context. 	1
The student response does not match any of the descriptors above.	0

Communicating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • succinct, with effective language choices to communicate analysis, interpretation and evaluation to the business owner • logical sequencing and organisation of ideas in a business report (extract) • minimal errors in spelling, grammar and punctuation 	3
<ul style="list-style-type: none"> • appropriate language choices to communicate analysis, interpretation and evaluation to the business owner • clear sequencing and organisation of ideas in a business report (extract) • some errors in spelling, grammar and punctuation 	2
<ul style="list-style-type: none"> • inappropriate language choices to communicate business data, information or advice • unclear or fragmented sequencing of ideas in a business report (extract) • frequent errors in spelling, grammar and punctuation. 	1
The student response does not match any of the descriptors above.	0

Stimulus

Question 3

Unseen stimulus

Jane, the accounts clerk, prior to going on leave, partially prepared these statements. She also left some details about other necessary adjustments that needed to be taken into account at 30 June 2025.

Note from stocktake

The annual stocktake was conducted last week and revealed a shortage of 250 balls of red wool at \$4.00 each and 200 balls of white wool at \$2.50 each.

Sticky note

Need to adjust Wages at the EOFY. Wages of \$2,000 are paid each Friday for the preceding five-day week. This year, June 30 falls on a Thursday.

Term deposit details

Amy has put aside funds of \$30 000 in a term deposit which matures in the next six months. The interest is due quarterly at the rate of 4% per annum. Interest for the June quarter is still outstanding.

Asset register

Asset Register				
Type:		Delivery Vehicle – Toyota		
Estimated residual value:		\$12 000	Estimated life:	5 years
Depreciation method:		Diminishing balance	Depreciation rate:	20%
Date	Particulars	Asset Balance \$	Depreciation \$	Accumulated Depreciation \$
2023 1 Oct	Blake Toyota	40 000		
2024 June 30			6 000	6 000

Asset Register				
Type:		Furniture		
Estimated residual value:		\$500	Estimated life:	5 years
Depreciation method:		Straight-line	Depreciation rate:	-
Date	Particulars	Asset Balance \$	Depreciation \$	Accumulated Depreciation \$
2024 1 Jan	CDE Furniture	5 000		
2024 30 June			450	450

Email

From: Jane

Sent: 30 June 2025

To: Amy

Subject: Provision for Doubtful Debts

Hi Amy,

The balance of Provision for doubtful debts at year end needs to be 5% of Accounts receivable.

Jane

Other information

A partial list of account balances for the financial year ended 30 June 2025 appears below. These are the balances before the end of year balance day adjustments are recorded.

Accounts payable	15 500
Accounts receivable	21 000
Advertising	12 000
Bad and doubtful debts	650
Cash at bank (Dr)	2 500
Capital	54 630
Cost of goods sold	116 000
Delivery vehicles	40 000
Drawings	2 200
Electricity	1 680
Furniture	5 000
GST clearing (payable) (Cr)	10 000
Insurance	7 000
Interest expense	2 000
Interest revenue	500
Inventories control	48 000
Provision for doubtful debts	400
Rent expense	25 600
Sales	348 750
Sales returns and allowances	5 000
Telephone	16 800
Term deposit maturing 31/12/2025	30 000
Wages	100 800

Stimulus

Question 4

Seen stimulus

Miss Grace Smith is a sole trader owner of a wholesale florist and gift shop. She buys and sells her stock using both credit and cash and currently offers 30-day terms to credit customers.

Smith's Wholesale Flowers and Gifts as at			
Account name	\$ 30 June 2025	\$ 30 June 2024	\$ 30 June 2023
Accounts payable	145 000	97 000	63 000
Accounts receivable	65 000	36 000	40 000
Accrued advertising	2 000	2 000	3 000
Advertising	5 000	6 000	4 000
Audit fees	8 000	13 000	2 000
Bad debts	20 000	8 000	4 000
Cash at bank (Dr)			8 000
Cash at bank (overdraft)	20 000	10 000	
Capital - G. Smith (beginning of financial year)	301 000	282 000	277 000
Cartage on sales	14 000	12 000	10 000
Cost of goods sold	250 000	185 000	150 000
Delivery vehicle expenses	5 000	4 000	1 000
Delivery vehicles (net)	26 000	30 000	34 000
Drawings	60 000	49 000	55 000
Furniture (net)	45 000	40 000	30 000
GST Payable (Cr)	9 000	10 000	12 000
Prepaid insurance	4 000	4 000	3 000
Interest expense	14 000	10 000	9 000
Inventories control	80 000	60 000	65 000
Land and buildings (net)	365 000	370 000	230 000
Loan from ABC Finance Company	130 000	120 000	100 000
Rates	9 000	7 000	6 000
Sales	430 000	360 000	280 000
Shares in A Company Ltd			50 000
Telephone	7 000	5 000	5 000
Wages	60 000	42 000	29 000

	\$ 30 June 2025	\$ 30 June 2024	\$ 30 June 2023	2023 to 2025 % change
Cash sales	100 000	110 000	90 000	11.11%
Credit sales (net)	330 000	250 000	190 000	73.68%
Gross profit	180 000	175 000	130 000	38.46%
Net profit	38 000	68 000	60 000	-36.67%
Total operating expenses	142 000	107 000	70 000	102.86%
Inventories	80 000	60 000	65 000	23.08%
Accounts receivable	65 000	36 000	40 000	62.50%
Total assets	585 000	540 000	460 000	27.17%
Total current assets	149 000	100 000	116 000	28.45%
Total non-current assets	436 000	440 000	344 000	26.74%
Total liabilities	306 000	239 000	178 000	71.91%
Total current liabilities	176 000	119 000	78 000	125.64%
Total non-current liabilities	130 000	120 000	100 000	30.00%
Total owner's equity	279 000	301 000	282 000	-1.06%

Ratio	2025	2024	2023	Industry average
Gross profit	41.86%	48.61%	46.43%	55%
Net profit	8.84%	18.89%	21.43%	31%
Return on owner's equity	13.10%	23.33%	21.47%	25%
Return on total assets	9.24%	15.60%	15.00%	20%
Current	0.85:1	0.84:1	1.49:1	
Quick	0.37:1	0.30:1	0.62:1	
Turnover of inventories	3.57 times year 102 days	2.96 times year 123 days	2.31 times year 158 days	7 times year 52 days
Turnover of accounts receivable	6.53 times year 56 days	6.58 times year 55 days	4.75 times year 77 days	12 times year 30 days



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