Prepared task

Candidates are to complete a prepared task during the year and take their prepared task material into the examination room for use in responding to Paper Two Part B (Questions 3 and 4).

The prepared task material will be collected by the supervisor at the end of the examination. It will not be assessed by markers.

This year’s prepared task will be based on the following topics:

- Cash Budgets
- Accounting Package.

The prepared task requirements are on the following pages.

Information about the Cash Budgets and Accounting Package topics is on pages 25–27 of the syllabus.

Enquiries

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Jo-Anne Cooper
Manager
Assessment Operations
Cash Budgets

You are the assistant accountant for a business called E Exam. You have collated the following information to prepare a Cash Budget for the three months October to December 2011.

- The balances of the following accounts on 1 October 2011 are:
  - Bank Overdraft — $22 500
  - Accounts Payable — $35 000.
- Accounts Receivable regularly settle their accounts, on average, as follows:
  - 60% in the month following sale
  - 30% in the second month following sale
  - 10% in the third month following sale.
- Credit sales in July, August and September 2011 were $35 000, $42 000 and $50 000 respectively.
- Estimated figures for the three months October to December 2011 are:

<table>
<thead>
<tr>
<th></th>
<th>Cash Sales</th>
<th>Credit Sales</th>
<th>Cash Purchases</th>
<th>Credit Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>70 000</td>
<td></td>
<td>30 000</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>80 000</td>
<td>55 000</td>
<td>50 000</td>
<td>50 000</td>
</tr>
<tr>
<td>November</td>
<td>95 000</td>
<td>60 000</td>
<td>55 000</td>
<td>40 000</td>
</tr>
<tr>
<td>December</td>
<td>120 000</td>
<td>80 000</td>
<td>70 000</td>
<td>60 000</td>
</tr>
</tbody>
</table>

- Expenses are paid by cash in the month in which they are incurred and are estimated to be:
  - Wages — $12 000 per month
  - Selling Expenses — 10% of total sales for that month
  - General Expenses — $12 500 each month (this figure includes a monthly depreciation amount of $400).
- Rent received on premises is $700 per month (including GST).
- Interest was charged by the bank at 12% p.a. on any overdraft balance as at the first day of the month, payable in that month.
- New equipment will be purchased in November. It is estimated that the new machine will cost $19 800 (GST inclusive) and it is planned that 60% of the amount owing will be paid in the month of purchase, and the remaining 40% will be paid in the following month.

Your task is as follows:

1. Prepare a Cash Budget for the three months October to December 2011. It is to include a Statement of Estimated Receipts from Accounts Receivable and a Statement of Estimated GST Payments to the ATO. Round off all figures to the nearest dollar.
2. Convert the spreadsheet to display formulas for the Cash Budget.
3. Print a copy of your solutions (write your candidate number on every sheet printed).
Accounting Package

Your business is about to change from a manual accounting system to an electronic system using an accounting package.

Your task:

1. Using a commercial accounting package, create a new business:
   - Company name: A–Z Sporting Goods
   - Address: 206 Bloomfield Street, CLEVELAND QLD 4160
   - Phone: 07 3286 7441, Fax: 07 3286 7331
   - ABN: 12 345 678 912
   - E-mail: a–z@bigpond.com.au
   - Type of business: Sporting goods dealer
   - Accounting period: 1 July 2011 to 30 June 2012.

2. Save your new business.

3. Set up a Chart of Accounts:
   - Check and change where necessary.
   - Accounts required:
     - Cheque Account $152 525
     - Office Equipment $95 000
     - Petty Cash $200
     - Motor Vehicles $8 000 (under new Motor Vehicles heading)
     - Land $150 000
     - Buildings $200 000
     - Commonwealth Bonds $28 000 (under new Investments heading)
     - Loan from ABC Bank (long-term) $405 000.

4. Change the following account names to those in brackets:
   - Trade Debtors (Accounts Receivable)
   - Trade Creditors (Accounts Payable)
   - Merchandise Inventory (Sporting Goods Inventory)
   - Purchases (Sporting Goods Purchases)
   - Sales (Sporting Goods Sales)
   - Printing or Stationery (Electricity)
   - Owners/Shareholders Capital (Capital)
   - Owners/Shareholders Drawings (Drawings).
5. Set up a stock item list and enter the following information:

<table>
<thead>
<tr>
<th>Item number</th>
<th>Item</th>
<th>Buying unit of measure</th>
<th>Selling unit of measure</th>
<th>Selling price (GST included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Grays Taboo hockey stick</td>
<td>Single</td>
<td>Single</td>
<td>$132.00</td>
</tr>
<tr>
<td>40</td>
<td>Telco netball</td>
<td>Single</td>
<td>Single</td>
<td>$60.50</td>
</tr>
<tr>
<td>45</td>
<td>DF 500 cricket bat</td>
<td>Single</td>
<td>Single</td>
<td>$198.00</td>
</tr>
<tr>
<td>50</td>
<td>SuperGel shoes</td>
<td>Pair</td>
<td>Pair</td>
<td>$209.00</td>
</tr>
</tbody>
</table>

6. Set up card files for the three main suppliers:

<table>
<thead>
<tr>
<th>Telco Sports</th>
<th>Sports Australia</th>
<th>All Run Sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>202 Shamrock Street</td>
<td>100 Rainworth Street</td>
<td>2051 Capalaba Road</td>
</tr>
<tr>
<td>BRISBANE QLD 4000</td>
<td>SYDNEY NSW 2000</td>
<td>CAPALABA QLD 4289</td>
</tr>
<tr>
<td>Phone: 07 3288 4823</td>
<td>Phone: 02 2005 3980</td>
<td>Phone: 07 3826 3948</td>
</tr>
<tr>
<td>Contact: Paul Simkins</td>
<td>Contact: Suzanne Riley</td>
<td>Contact: Anne Steele</td>
</tr>
<tr>
<td>ABN: 22 310 546 872</td>
<td>ABN: 23 561 458 879</td>
<td>ABN: 55 666 768 324</td>
</tr>
</tbody>
</table>

7. Enter today's transactions (using today's date):

**Purchases**
- 20 Grays Taboo hockey sticks for $71.50 (GST inclusive) each and 15 DF 500 cricket bats from All Run Sports for $121 (GST included) each. Purchase Order 01, Invoice 398, use courier.
- 25 Telco netballs for $33 (GST included) each from Telco Sports. Purchase Order 02, Invoice 298, use C.O.D.
- 18 pairs of SuperGel shoes for $110 (GST included) each from Sports Australia. Purchase Order 03, Invoice 668, use Australia Post.

8. Set up card files for three customers and enter the following transactions (using today's date):

<table>
<thead>
<tr>
<th>John Muller</th>
<th>Master College Pty Ltd</th>
<th>Smith Shoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Jones Avenue</td>
<td>265 Dundas Street West</td>
<td>27 Queen Street</td>
</tr>
<tr>
<td>ORMISTON QLD 4160</td>
<td>CLEVELAND QLD 4163</td>
<td>REDLAND BAY QLD 4169</td>
</tr>
<tr>
<td>Phone: 07 3821 2783</td>
<td>Phone: 07 3286 8888</td>
<td>Phone: 07 3286 4024</td>
</tr>
<tr>
<td>Contact: John Muller</td>
<td>Contact: Wayne Jarrett</td>
<td>Contact: April Fallon</td>
</tr>
</tbody>
</table>
Sales
- 8 Telco netballs to Master College Pty Ltd. Invoice 01, Order No. 239, ship via courier.
- 1 Grays Taboo hockey stick and one DF 500 cricket bat to John Muller. Invoice 02, Order No. 92, ship via road.
- 10 pairs of SuperGel shoes to Smith Shoes. Invoice 03, Order No. 345, ship via Kwikasair.
- 10 Grays Taboo hockey sticks to Master College Pty Ltd. Invoice 04, Order No. 329, ship via courier.

Additional transactions
- Purchased Office Furniture for $4,400 (including GST) for cash from Brilliant Furniture. Memo – purchase of shelving.
- Owner withdrew cash $2,500 for personal use. Memo – Drawings.
- Master College Pty Ltd returned two hockey sticks as they were faulty. Customer No. is CN01. Agreed to this return.
- Pay a donation to World Vision for $600 cash. Classify the account (Donations) in the Chart of Accounts. Memo – Annual donation.
- Received cash from John Muller in full payment of account.
- Paid Telco Sports $500 cash as part payment of account.
- Returned five DF 500 cricket bats to All Run Sports as they were damaged. Supplier Inv. is CN02.

9. You are required to obtain printouts of the following reports:
   - Sales/Accounts Receivables Summary Report
   - Trial Balance
   - Income Statement/Profit and Loss Statement
   - Balance Sheet.

10. Prepare the following balance day adjustments as at 30 June 2012:
    - Stocktake revealed that three items were missing (one of Item 40 and two of Item 35)
    - Prepaid Electricity $200.

11. Rollover to the next Accounting Period.

12. Prepare reversing entries.

13. Print reversing entries and a new Trial Balance.

14. Write your candidate number on every sheet printed.