



# ACCOUNTING ASSESSMENT TASK

## 2014

### Outcome 1

#### Recording financial data

Reading time: 10 minutes

Writing time: 50 minutes

#### QUESTION BOOK

##### Structure of book

<i>Number of Questions</i>	<i>Number of questions to be answered</i>	<i>Number of Marks</i>
<b>3</b>	<b>3</b>	<b>50</b>

- Students are permitted to bring into the assessment task: pens, pencils, highlighters, erasers, sharpeners, rulers and one scientific calculator.
- Students are NOT permitted to use blank sheets of paper and/or white out liquid/tape.

##### Materials supplied

- Question book of 4 pages.
- Answer book of 6 pages.

##### Instructions

- Write your **full name (and teacher's name)** in the space provided on the front page of the Answer book.
- Answer all questions in the Answer book.
- All written responses must be in English.

##### At the end of the assessment task

- Return all booklets to your teacher, unless otherwise directed.

**Question 1 (11 marks)**

Blofeld sells a range of security systems. The following details are for CCTV cameras.

At 1 January 2014, the Stock Card for this item showed the following:

**Stock Card: CCTV cameras**

Date 2014	Details	IN			OUT			BALANCE		
		Qty	Cost	Total	Qty	Cost	Total	Qty	Cost	Total
Jan 1	Balance							8	250	2 000

During January, the following transactions relating to this stock item occurred:

- Jan 4 Cash sale of 4 units (Rec. 74)
- 6 Credit purchase of 5 units @ \$300 (plus \$30 GST) each from 007 Pty Ltd (Inv. 125)
- 10 3 units used for a promotion at an exhibition (Memo 33)
- 26 Credit sale of 2 units to J. English (Inv. 49)
- 28 The owner withdrew 2 units for his own use (Memo 38)
- 31 Physical stocktake shows 4 units on hand (Memo 39)

Note: Stock is sold at a mark-up of 100%.

**Required**

**a. Record** the relevant information above into the Stock Card.

6 marks

**b. Explain** the relationship between the Stock Control account and the stock cards.

2 marks

**c. Identify** three details that are provided when transactions are recorded in the stock card but are not provided in the Stock Control account.

3 marks

**Question 2 (17 marks)**

Crazy Julian sells mobile phones. The mark-up on cost is 100%. Details of transactions for the business during February 2014 are shown below.

Date	Document	Details
Feb 1	Chq. 122	Paid M & M Sites for Shelving of \$2 200 including \$200 GST
8	Rec. 97	Cash sale of \$1 500 plus GST
10	Chq. 123	Purchased stock \$3 500 plus \$350 GST
19	Rec. 98	Debtor A. Few settled debt of \$3 000 after 5% discount was allowed
20	Rec. 99	Sold goods for cash \$2 200 including GST

Tax Invoice No. 234		Tax Invoice No. 667	
23 February 2014		27 February 2014	
Orange Mobiles 24 Pond Avenue MILDARA NSW 2000		CRAZY JULIAN 36 Dunkling Street ESSENDON VIC 3001	
To Crazy Julian 36 Dunkling Street ESSENDON VIC 3001		To Magic Mobiles 6 Bay Close SPRINGVALE VIC 3002	
<u>Mobile Phones</u>		<u>Mobile Phones</u>	
15 @ 300 each	4 500	5 @ 1 000 each	5 000
GST 10%	450	GST 10%	500
Total	\$4 950	Total	\$5 500
TERMS: 5/10 n/30		TERMS: 5/10 n/30	

**Required**

- a. Referring to a qualitative characteristic, **explain** the importance of source documents in the accounting process. 2 marks
- b. **Record** the transactions above in the appropriate special journals. 7 marks
- You **are** required to total the Cash Receipts Journal and Cash Payments Journal.
- c. **Explain** the role of special journals in the accounting process. 2 marks
- d. **Post** details from the special journals to the GST Clearing account at 28 February. You are not required to balance the account. 4 marks
- e. With reference to the accounting elements, **explain** how the GST Clearing account would have been reported in the Balance Sheet as at 31 January 2014. 2 marks

SAMPLE ONLY  
Not for re-production

**Question 3 (22 marks)**

Carla Maguire owns and operates a sports store called Steady Eddie's.

On 1 March 2014 an extract from the General Ledger showed the following balances:

	\$
Bank	30 000
Stock Control	15 000
Creditors Control	7 500

On 1 March 2014 the Creditors Subsidiary Ledger showed the following:

	\$
S. Warne	6 000
N. Buckley	1 500

The journals for the month of March have been prepared as follows:

**Purchases Journal**

Date 2014	Creditor	Inv. No.	Stock Control	GST	Creditors Control
Mar 2	S. Warne	23	3 100	310	3 410
6	N. Buckley	245	2 100	210	2 310
10	A. Demetriou	115	1 200	120	1 320
26	N. Buckley	256	1 500	150	1 650
29	S. Warne	49	1 000	100	1 100
	<b>Totals</b>		<b>8 900</b>	<b>890</b>	<b>9 790</b>

**Cash Payments Journal**

Date 2014	Details	Chq. No.	Bank	Disc. Rev.	Creditors Control	Stock Control	Wages	Sundries	GST
Mar 4	Wages	220	750				750		
8	S. Warne	221	5 700	300	6 000				
15	Stock Control	222	3 300			3 000			300
20	A. Demetriou	223	1 320		1 320				
22	S. Warne	224	3 000		3 000				
31	Wages	225	750				750		
	<b>Totals</b>		<b>14 820</b>	<b>300</b>	<b>10 320</b>	<b>3 000</b>	<b>1 500</b>		<b>300</b>

**Required**

- Based on the above information, **complete** the Stock Control and Creditors Control accounts in the General Ledger for March 2014. 6 marks
- Complete** the relevant subsidiary accounts in the Creditors Ledger for March 2014. 10 marks
- Prepare** a Creditors Schedule as at 31 March 2014. 2 marks
- Discuss** the benefits of implementing a system of control accounts and subsidiary ledgers for creditors. 4 marks

COMMERCE PRESENTATIONS AND PUBLICATIONS



# ACCOUNTING ASSESSMENT TASK

## 2014

## Outcome 1

### Recording financial data

Reading time: 10 minutes

Writing time: 50 minutes

## ANSWER BOOK

STUDENT NAME \_\_\_\_\_

TEACHER NAME \_\_\_\_\_

### Instructions

- A question book is provided with this answer book.
- Answer all questions in the spaces provided in this book.
- Write your **name** and **teacher's name** in the space provided above on this page
- Refer to **Instructions** on the front cover of the question book

**Students are NOT permitted to bring mobile phones and/or any other unauthorised electronic devices into the assessment room.**



3 marks

## Question 2 (17 marks)

a.

<b>Qualitative characteristic</b>
<b>Explanation</b>

2 marks

b.

**Cash Receipts Journal**

Date 2014	Details	Rec. No.	Bank	Disc. Exp.	Debtors Control	Cost of Sales	Sales	Sundries	GST
	<b>Totals</b>								

**Cash Payments Journal**

Date 2014	Details	Chq. No.	Bank	Disc. Rev.	Creditors Control	Stock Control	Wages	Sundries	GST
	<b>Totals</b>								

**Sales Journal**

Date 2014	Debtor	Inv. No.	Cost of Sales	Sales	GST	Debtors Control

**Purchases Journal**

Date 2014	Creditor	Inv. No.	Stock Control	GST	Creditors Control

7 marks

c.

<b>Explanation</b>

2 marks

d.

**GST Clearing**

<b>Date 2014</b>	<b>Cross Reference</b>	<b>\$</b>	<b>Date 2014</b>	<b>Cross Reference</b>	<b>\$</b>
Feb 1	Balance	1 200			

4 marks

e.

<b>Explanation</b>

2 marks

**Question 3 (22 marks)**

a.

**GENERAL LEDGER****Stock Control**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$

**Creditors Control**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$

6 marks

b.

**CREDITORS SUBSIDIARY LEDGER****S. Warne**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$

**N. Buckley**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$



COMMERCE PRESENTATIONS AND PUBLICATIONS



# ACCOUNTING ASSESSMENT TASK

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**Outcome 1**

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**Reading time: 10 minutes**

**Writing time: 50 minutes**

**SUGGESTED  
ANSWERS/SOLUTIONS**

**Question 1 (11 marks)****a. Stock Card: CCTV cameras**

Date 2014	Details	IN			OUT			BALANCE		
		Qty	Cost	Total	Qty	Cost	Total	Qty	Cost	Total
Jan 1	Balance							8	250	2 000
4	Rec. 74				4	250	1 000	4	250	1 000
6	Inv. 125	5	300	1 500				4	250	
								5	300	2 500
10	Memo 33				3	250	750	1	250	250
								5	300	1 750
26	Inv. 49				1	250	250			
					1	300	300	4	300	1 200
28	Memo 38				2	300	600	2	300	600
31	Memo 39	2	300	600				4	300	1 200

6 marks

*1 mark per date/line/transaction***b.**

**Explanation** The Stock Control account is used to summarise all transactions affecting stock, with information relating to individual lines of stock, including details of stock transactions, recorded in stock cards.

2 marks

*1 mark for purpose of Control account; 1 mark for role of subsidiary records***c.**

<b>Item 1:</b>	<ul style="list-style-type: none"> <li>the source document</li> </ul>
<b>Item 2:</b>	<ul style="list-style-type: none"> <li>the quantity of stock</li> </ul>
<b>Item 3:</b>	<ul style="list-style-type: none"> <li>the unit cost of stock</li> </ul>

3 marks

*1 mark per item*

**Question 2 (17 marks)**

a.

<b>Qualitative characteristic</b>	Reliability
<b>Explanation</b>	Source documents provide verifiable evidence of each transaction, ensuring that the information in the reports is free from bias.

2 marks

*1 mark for characteristic; 1 mark for explanation*

b.

**Cash Receipts Journal**

Date 2014	Details	Rec. No.	Bank	Disc. Exp.	Debtors Control	Cost of Sales	Sales	Sundries	GST
Feb 8	Sales	97	1 650			750	1 500		150
19	A Few	98	2 850	150	3 000				
20	Sales	99	2 200			1 000	2 000		200
	<b>Totals</b>		<b>6 700</b>	<b>150</b>	<b>3 000</b>	<b>1 750</b>	<b>3 500</b>		<b>350</b>

**Cash Payments Journal**

Date 2014	Details	Chq. No.	Bank	Disc. Rev.	Creditors Control	Stock Control	Wages	Sundries	GST
Feb 1	Shelving	122	2 200					2 000	200
10	Stock Control	123	3 850			3 500			350
	<b>Totals</b>		<b>6 050</b>			<b>3 500</b>		<b>2 000</b>	<b>550</b>

**Sales Journal**

Date 2014	Debtor	Inv. No.	Cost of Sales	Sales	GST	Debtors Control
Feb 27	Magic Mobiles	667	2 500	5 000	500	5 500

**Purchases Journal**

Date 2014	Creditor	Inv. No.	Stock Control	GST	Creditors Control
Feb 23	Orange Mobiles	234	4 500	450	4 950

7 marks

*1 mark per date/line/transaction, except Feb 8 & 13 together earn 1 mark only; plus 1 mark for totals*

c.

**Explanation** The main purpose of the special journals is to summarise similar transactions so that totals can be posted to the General Ledger, in the process reducing the number of ledger entries required and improving the efficiency of the recording system.

2 marks

1 mark for mentioning improved efficiency; 1 mark for summarising similar transactions

d.

**GST Clearing**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Feb 1	Balance	1 200	Feb 28	Bank	350
28	Bank	550		Debtors Control	500
	Creditors Control	450			

4 marks

1 mark for each entry

e.

**Explanation** The debit balance would have been reported as a current asset in the Balance sheet as at 31 January 2014. It represents the amount which will provide future economic benefit in the form of a refund from the ATO.

2 marks

1 mark for Current Asset; 1 mark for definition

**Question 3 (22 marks)**

a.

**GENERAL LEDGER****Stock Control**

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Mar 1	Balance	15 000	Mar 31	Balance	26 900
31	Creditors Control	8 900			
	Bank	3 000			
		<b>26 900</b>			<b>26 900</b>
Apr 1	Balance	26 900			

### Creditors Control

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Mar 31	Bank / Discount Revenue	10 320	Mar 1	Balance	7 500
	Balance	6 970	30	Stock Control / GST Clearing	9 790
		<b>17 290</b>			<b>17 290</b>
			April 1	Balance	6 970

6 marks

- 1 mark total for both opening balances;  
 1 mark for completing closing balancing process;  
 1 mark each for each other correct entry

### b. CREDITORS SUBSIDIARY LEDGER

#### S. Warne

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Mar 8	Bank / Discount Revenue	6 000	Mar 1	Balance	6 000
18	Bank	3 000	2	Stock Control / GST Clearing	3 410
	Balance	1 510	29	Stock Control / GST Clearing	1 100
		<b>10 510</b>			<b>10 510</b>
			Apr 1	Balance	2 420

#### N. Buckley

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Mar 31	Balance	5 460	Mar 1	Balance	1 500
			6	Stock Control / GST Clearing	2 310
			26	Stock Control / GST Clearing	1 650
		<b>5 460</b>			<b>5 460</b>
			Apr 1	Balance	5 460

#### A. Demetriou

Date 2014	Cross Reference	\$	Date 2014	Cross Reference	\$
Mar 20	Bank	1 320	Mar 10	Stock Control / GST Clearing	1 320

10 marks

- 1 mark total for both opening balances;  
 1 mark for completing closing balancing process;

1 mark each for each other correct entry

**b.**

<b>Creditors Schedule</b>	<b>\$</b>
S. Warne	1 510
N. Buckley	5 460
Balance as per control account	6 970

2 marks

1 mark total for transferring balances from ledgers; 1 mark for totalling the balances

**c.**

**Discuss** Points which may be mentioned:

*Allocation of responsibility* – The Creditors Control account and Creditors Subsidiary Ledger allow the bookkeeping function to be divided between different personnel. Responsibility for managing creditors can be assigned to individual employees, increasing accountability for paying debts. This allows for quicker and more efficient recording, and strengthens internal control, i.e. allocation of responsibility will reduce the possibility of fraud going undetected.

*Detection of errors:* It provides an in-built checking mechanism. A Creditors Schedule can be prepared, and its total compared against the balance of the Creditors Control account in the General Ledger to verify the accuracy of the recording, ensuring that the information is accurate and free from bias.

*Ease of reporting:* Excessive detail is kept out of the General Ledger, which simplifies the preparation of the Trial Balance. A control account provides a concise summary of total creditors for accounting report purposes. Only the balance of the Control account is reported in the Balance Sheet because individual accounts are removed from the General Ledger.

2 marks

Marks allocated on the basis of the quality of discussion, i.e. not all of the above points need to be mentioned in order to achieve full marks. N.B. Answer must be framed in terms of discussing creditors, not debtors, otherwise award ½ marks maximum.