



## GENERAL COMMENTS

The June 2011 examination was the last Unit 3 exam for the current study design. The examination comprised two 45-mark questions, with multiple parts to each question. There was a total of 90 marks available and students had 90 minutes to complete the paper. Teachers and students are advised to check the sample exam format for the new study design in 2012.

The majority of students were able to complete the examination within the set timeframe. Some students did not attempt some questions and this had a serious impact on their performance. If a question asks students to calculate or record balance day adjustments and the following question asks for a Profit and Loss Statement, it is essential that all students make a serious attempt with the balance day adjustment question. Otherwise, students may miss out on a significant number of marks simply because they do not make an attempt to answer one particular question.

Of concern this year was the number of students who did not take enough care when responding to theory-type questions. This was most evident in the comparison between cash flows from operating activities and net profit. Students were asked to explain why cash flows from operating activities do not equate to net profit, and they needed to provide an example as well as an explanation. Many students gave a detailed explanation of how investing and financing activities affect the cash at bank; however, such responses missed the point of the question. Students should ensure that they read questions carefully and answer them as asked.

Also concerning was the number of students who could not explain why non-current assets should be depreciated. It should be noted that depreciation is not a valuation tool. Depreciation is done to allocate a portion of the cost of an asset so it can be matched against the revenue generated by the asset. This is done in order to determine an accurate profit. An estimated residual value is made for non-current assets when assets are first purchased. However, no attempt is made to estimate current market value at the end of each reporting period. This is an obvious area of concern as many students demonstrated a lack of knowledge about the real reason a business depreciates its non-current assets.

## SPECIFIC COMMENTS

For each question, an outline answer (or answers) is provided. In some cases the answer given is not the only answer that could have been awarded marks.

### Question 1 – Fantastic Footwear

#### 1.1

Marks	0	1	2	3	Average
%	58	16	10	16	0.9

Explanation: The purpose of preparing a Debtors Schedule is to ensure that transactions have been recorded accurately. It identifies recording errors by comparing the balance in the Control account with the total of the individual debtors' accounts in the subsidiary ledger, thus acting as an internal control or checking mechanism.

Qualitative characteristic: Reliability

One mark was awarded for giving the correct qualitative characteristic, and two marks were awarded for the explanation. Many students stated Relevance as the qualitative characteristic, with their explanation simply providing a definition of a Debtors Schedule. Students also stated that the information is relevant to decision-making. This type of response ignored the stated question, which focused on the purpose of the schedule. Student should ensure that they read all questions very carefully.

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## 1.2.1

Marks	0	1	2	3	4	5	6	7	Average
%	4	7	9	9	11	16	22	22	4.7

### Cash Receipts Journal (summary)

Date 2011	Details	Rec. No.	Bank	Disc. Exp.	Debtors	Cost of Sales	Sales	GST	Sundries
25 June	Totals to date		17 350	750	9 600	2 000	3 000	300	5 200
27	<i>Jets Little Aths</i>	623	2 090	110	2 200				
30	<i>Kids City</i>	624	600		600				
			20 040	860	12 400	2 000	3 000	300	5 200

### Sales Journal (summary)

Date 2011	Debtor	Invoice No.	Cost of Sales	Sales	GST	Total Debtors
25 June	Totals to date		8 000	12 000	1 200	13 200

### Cash Payments Journal (summary)

Date 2011	Details	Chq. No.	Bank	Disc. Rev.	Creditors	Stock	Wages	GST	Sundries
25 June	Totals to date		15 200	600	6 200	4 000	1 800	600	3 200
26	<i>Prepaid Rent expense</i>	45	3 960					360	3 600

### Purchases Journal (summary)

Date 2011	Creditor	Invoice No.	Stock	GST	Total Creditors
25 June	Totals to date		5 000	500	5 500
29	<i>Kaos Footwear</i>	A76	1 200	120	1 320

### GENERAL JOURNAL

Date 2011	Particulars	General Ledger		Subsidiary Ledger	
		Debit \$	Credit \$	Debit \$	Credit \$
June 30	<i>Bad Debts</i>	1 800			
	<i>Debtors Control</i>		1 800		
	<i>Debtor – Kids City</i>				1 800

The seven marks were allocated as follows:

- two marks for two complete entries in the Cash Receipts Journal
- one mark for totalling all columns in the Cash Receipts Journal
- one mark for the Prepaid Rent Expense entry in the Cash Payments Journal
- one mark for the entry in the Purchases Journal
- two marks for the General Journal. One mark was allocated to the Bad Debts entry and one mark was for the two entries in relation to debtors: Debtors control and the subsidiary ledger account for *Kids City*.

This question was handled quite well by many students. Recording errors made by some students included:

- recording 'sales' or 'debtors', rather than the name of the debtor involved, in the Cash Receipts Journal

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- recording GST received from debtors, despite the fact that GST is recorded at the time of the credit sale being made
- recording Rent Expense rather than Prepaid Rent Expense in the Cash Payments Journal
- omitting the GST paid on the Prepaid Rent Expense
- omitting the name of the individual debtor's account in the General Journal entry.

## 1.2.2

Marks	0	1	2	3	4	Average
%	19	11	14	19	38	2.5

### DEBTORS CONTROL

Date 2011	Cross Reference	\$	Date 2011	Cross Reference	\$
1 June	Balance	10 600	June 30	Bank/Discount Expense	12 400
30	Sales/GST Clearing	13 200		Bad Debts	1 800
				Balance	9 600
		23 800			23 800
1 July	Balance	9 600			

One mark was allocated to each of the three entries in the Debtors Control account, with the last mark being given to students who demonstrated the correct balancing procedure. This question was a little different to what has been asked on past exams in that students have not been asked to carry forward balances to the subsequent period. However, this did not prove to be problematic for students and many achieved full marks. The major problem for some students was incorrect cross-reference titles. Students are again reminded that to receive full marks on ledger account questions, correct titles must be used in all cases.

## 1.2.3

Marks	0	1	2	3	Average
%	15	17	18	51	2.1

### DEBTOR – Jets Little Aths

Date 2011	Cross Reference	\$	Date 2011	Cross Reference	\$
June 1	Balance	3 200	June 11	Bank	3 200
19	Sales/GST Clearing	2 200	27	Bank/Discount Expense	2 200
24	Sales/GST Clearing	990			

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## 1.2.4

Marks	0	1	2	3	4	Average
%	24	10	15	27	24	2.2

### GST CLEARING

Date 2011	Cross Reference	\$	Date 2011	Cross Reference	\$
1 June	Balance	1 250	June 30	Bank	300
30	Bank	960		Bank	1 000
	Creditors Control	620		Debtors Control	1 200

One mark each was awarded for:

- the Bank entries of \$960 and \$300
- the Bank entry for the GST refund of \$1000
- the Creditors Control entry
- the Debtors Control entry.

Students are reminded that even though a question is worth four marks, it does not necessarily mean four entries are required. Many students did not record the GST refund received during June and therefore missed out on one mark immediately. The other issue with the GST Clearing account was the recording of incorrect titles. Sales and Purchases were used by many students; however, these two entries are never appropriate for the GST.

## 1.2.5

Marks	0	1	2	Average
%	61	26	13	0.5

Explanation: Balance day adjustments are necessary in relation to Rent as the revenues earned must be matched with the rent expenses incurred so that an accurate net profit can be calculated. Therefore, the Rent used in June should have been allocated as an expense, but the Rent for July–September has future economic benefits and is therefore an asset that should not be expensed in the current period.

## 1.2.6

Marks	0	1	2	3	Average
%	51	29	14	6	0.8

Report affected	Reported Item	\$
Profit and Loss Statement	<i>Rent Expense</i>	12 000
Balance Sheet	<i>Prepaid Rent Expense</i>	3 600
Cash Flow Statement	<i>Rent</i>	15 600

One mark was awarded for each correct line in the above table.

This question was not handled well by many students, who had difficulty calculating the correct dollar amounts. The Rent Expense was \$1000 per month  $\times$  12 months, giving a total expense incurred of \$12 000. The Prepaid Rent Expense amount was \$1200 per month  $\times$  3 months, giving a total of \$3600. By adding these two amounts together, the total cash outflow for Rent was \$15 600. The second issue for many students was that they failed to state the reported item for each report. Instead, they stated a classification such as 'Other expenses' or 'Current assets'. Students are reminded to check the headings on tables to ensure that they are responding in the appropriate manner.

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## 1.3.1

<b>Marks</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Average</b>
<b>%</b>	3	1	3	11	81	<b>3.7</b>

### Stock Card: Tiger Tearaway

Date 2011	Details	IN			OUT			BALANCE		
		Qty	Cost \$	Total \$	Qty	Cost \$	Total \$	Qty	Cost \$	Total \$
1 June	Balance							5	50	250
6	Inv 32	15	55	825				5 15	50 55	1 075
13	Rec 606				5 3	50 55	415	12	55	660
21	Inv 44				4	55	220	8	55	440
29	Memo 43				1	55	55	7	55	385
30	Memo 44	2	55	110				9	55	495

Many students scored full marks for this question. Students who did not achieve full marks usually made one of the following errors:

- including selling prices in the Stock Card, rather than cost prices
- adding GST to the cost prices recorded in the Stock Card
- recording the stock gain in the 'Out' column rather than the 'In' column.

## 1.3.2

<b>Marks</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Average</b>
<b>%</b>	8	3	7	11	72	<b>3.4</b>

### GENERAL JOURNAL

Date 2011	Particulars	General Ledger		Subsidiary Ledger	
		Debit \$	Credit \$	Debit \$	Credit \$
June 30	Drawings	55			
	Stock Control		55		
	Stock Control	110			
	Stock Gain		110		

With the large majority of students gaining full marks on the stock card in Question 1.3.1, it was little surprise that they also performed very well on this question. The two Memos were used to record the Drawings of Stock and the adjustment for a Stock Gain. One mark was allocated for each of the four General Journal entries. One point to note by both teachers and students in relation to entries for Stock in the General Journal is that there is no entry required in the Subsidiary Ledger columns of the journal. These two columns are only used for ledger account entries in relation to debtors and creditors and must not be used for any stock card entries.

## 1.3.3

<b>Marks</b>	<b>0</b>	<b>1</b>	<b>Average</b>
<b>%</b>	17	83	<b>0.9</b>

Reason: Oversupplied a customer; undersupplied by supplier; damaged goods thrown out not recorded; stock-taking error due to not counting some stock on hand.

This was another very well answered question. However, students should be aware that they must provide sufficient information with this type of question. Responses such as supply errors or stock-taking errors are not adequate, as they

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may also be used to explain how a stock gain occurs. Students should endeavour to provide full details in their theoretical responses to ensure that they demonstrate their knowledge and are awarded the marks available.

### 1.3.4

Marks	0	1	Average
%	11	89	0.9

Transaction date	Name of Journal
21 June	Credit Sales or Sales

Most students were able to achieve full marks for this question. Incorrect responses included Cash Receipts Journal and Purchases Journal.

### 1.3.5

Marks	0	1	2	Average
%	90	5	5	0.2

Owner's Equity: No effect

Justification: While the drawings would be understated, it would be picked up in the stock gain adjusting entry, thus reducing net profit. Therefore, the overall result would be no effect on the total of Owner's Equity.

Many students failed to recognise that if drawings of stock are not recorded, the balance day adjustment for a stock loss or gain would be affected by the oversight and the overall effect on Owner's Equity would be zero. In the case presented on this examination, the stock gain would be lower than it should be. Therefore, drawings would be understated and the stock gain would be understated, thus negating one another.

### 1.4.1

Marks	0	1	2	Average
%	13	27	61	1.5

#### Calculation

$$\begin{aligned} \$480/4 \text{ years} &= \$120 \text{ per year depreciation} \\ \$120/12 \text{ months} &= \$10 \text{ per month} \times 2.5 \text{ months} = \$25 \end{aligned}$$

**Depreciation of Shoe Fitting Equipment for the year ending 30 June 2011**

\$25

One mark was awarded for the correct calculation of the annual depreciation amount and one mark for the calculation of 2.5 months' depreciation.

Students are reminded that GST should not be considered as part of the cost of a non-current asset. They are also advised that it is acceptable to determine depreciation for half a month if, for example, an asset was purchased on the 15th or 16th of a particular month.

### 1.4.2

Marks	0	1	2	Average
%	58	24	18	0.6

Explanation: The depreciable cost of the non-current asset will become an expense. This expense must be allocated over the useful life of the asset as it is used to earn revenue for the business. Depreciation is an expense incurred and should be recognised in order to determine an accurate profit figure for the reporting period.

This question proved to be quite problematic for many students. Many responses referred to the determination of market value for the Balance Sheet. Depreciation is not a valuation tool. It is not done to determine a market value for the Balance Sheet. Teachers and students are reminded that depreciation is recorded to allocate an expense in order to get an accurate profit and this has nothing to do with current market values.

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## 1.4.3

Marks	0	1	2	3	Average
%	37	48	6	9	0.9

Explanation: The dollar amount involved is insignificant or immaterial and treating it as an expense would not impact on management decision-making. Because of the small amount involved (\$480), it could simply be written off as an expense.

Qualitative characteristic: Relevance

This question approached the materiality test of relevance in a different manner to questions asked on previous examinations. Students were asked to explain why it could be treated as an expense, so there was little point in stating that it should be an asset, which was a common response. Some students argued that as there was no residual value it can be treated as an expense. Assets may still be depreciated even if no residual value is anticipated. Many responses failed to demonstrate an understanding of depreciation, but also failed to show understanding of the materiality test of relevance.

## Question 2 –Bubble Baths

### 2.1

Marks	0	1	2	Average
%	67	13	19	0.5

Explanation: Accrual accounting is a method of determining profit whereby revenues earned are matched against expenses incurred for a particular reporting period.

Accrual accounting is the basic method featured throughout the study and students have been exposed to this type of theoretical question in the past. Many students had difficulty explaining the meaning of accrual accounting.

### 2.2

Marks	0	1	2	3	Average
%	35	23	21	21	1.3

## Cash Receipts Journal

Date 2011	Details	Rec. No.	Bank	Disc. expense	Debtors	Cost of Sales	Sales	GST	Sundries
Jan 1	Capital	1	4000						4000

## GENERAL JOURNAL

Date 2011	Particulars	General Ledger		Subsidiary Ledger	
		Debit \$	Credit \$	Debit \$	Credit \$
Jan 1	Stock Control	18 000			
	Vehicle	46 000			
	Prepaid Rent Expense	3 000			
	Loan		48 000		
	Capital		19 000		

Three marks were allocated to this question, with one mark being awarded to the correct entry in the Cash Receipts Journal. One mark was allocated to the debit entries in the General Journal, with the last mark going to the credit entries in the same journal.

Although this question was handled well by many students, some common errors were evident, including:

- entering the cash contribution in the General Journal, rather than in the Cash Receipts Journal
- omitting the Prepaid Rent Expense as an asset contributed by the owner

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- incomplete entries in the General Journal, usually because Capital was omitted.

## 2.3.1

Marks	0	1	2	3	4	5	6	7	Average
%	14	4	6	8	11	18	31	8	4.2

### Bubble Baths Cash Flow Statement for the six months ending 30 June 2011

Cash Flow from Operating Activities	\$	\$
<i>Cash Sales</i>	92 000	
<i>GST received</i>	9 200	
<i>Collections from Debtors</i>	31 520	132720
<i>Payments to creditors</i>	(79 200)	
<i>GST paid</i>	(1 880)	
<i>Cash purchases of Stock</i>	(8 000)	
<i>Wages</i>	(24 000)	
<i>Prepaid Advertising</i>	(1 800)	
<i>Freight Inward</i>	(1 000)	
<i>Prepaid Rent</i>	(6 000)	
<i>Interest</i>	(2 400)	(124280)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		8 440
Cash Flow from Investing Activities		
<i>Shop fittings</i>	(2 000)	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		(2 000)
Cash Flow from Financing Activities		
<i>Capital</i>	10 000	
<i>Drawings</i>	(32 800)	
<i>Loan Repayment</i>	(6 000)	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		(28 800)
<b>NET INCREASE (DECREASE) IN CASH</b>		(22 360)
Cash at Bank (01/01/2011)		0
Cash at Bank (30/06/2011)		(22 360)

One mark each was allocated for:

- Cash Sales and GST Received
- collections from debtors and payments to creditors
- interest expense, classified as an operating activity, and loan repayment, classified as a financing activity
- the remaining six operating outflows
- the purchase of Shop Fittings as an investing outflow
- Capital and Drawings under financing activities
- recording the opening balance as zero and completing the bottom section of the report.

Typical errors included:

- failing to deduct the discounts from debtors and creditors



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- reporting interest as a Financing Activity rather than an operating activity
- failing to show the purchase of the Shop Fittings as an outflow
- reporting an incorrect amount for Capital contributed by the owner
- double-counting the capital contribution by showing it as the opening balance at the start of the period
- including alien entries such as Discount expense, Cost of Sales and Credit Sales.

Students are reminded that there are two acceptable ways to show inflows and outflows of cash. Headings may be used, stating clearly 'Inflows' and 'Outflows' as required. However, the more efficient method is to simply show all outflows in brackets.

### 2.3.2

Marks	0	1	2	Average
%	41	36	23	<b>0.8</b>

Explanation: 'Net Cash from Financing Activities' identifies the net result of cash inflows and cash outflows relating to the changes in the financial structure of the business. Therefore, it involves cash flows in relation to capital, drawings, loans and loan repayments.

Although many students performed well on this question, the number of students who could not describe financing activities was surprising. This was despite the fact that they could prepare the Cash Flow Statement to a satisfactory standard. Students are reminded that they should give due attention to the theory behind accounting and not simply concentrate on the practical elements of the study.

### 2.3.3

Marks	0	1	2	3	Average
%	50	22	19	10	<b>0.9</b>

Explanation: Only cash inflows and outflows related to day to day trading activities are included in the calculation of the Net Cash from Operating Activities figure, whereas the business profit is the result of subtracting expenses incurred from revenues earned. Cash flows from operating activities and net profit measure quite different information.

Example: Debtor receipts may be greater than Credit Sales, expenses incurred are greater than those paid, payments to Creditors is less than Cost of Sales.

This question proved to be quite problematic for many students, with very few receiving full marks. The most common error was referring to investing and financing activities as part of the explanation. However, this had nothing to do with the stated question. Many students stated items such as drawings and loan repayments as the reason a business may run short of cash. Although this type of question has featured in many previous examinations, students must ensure that they read the details of the question being presented, as subtle differences can provoke many incorrect responses.

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## 2.4.1

<b>Marks</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Average</b>
%	16	5	7	7	9	12	15	14	7	8	4.5

### GENERAL JOURNAL

Date 2011	Particulars	General Ledger		Subsidiary Ledger	
		Debit \$	Credit \$	Debit \$	Credit \$
30 June	Advertising	300			
	Prepaid Advertising Expense		300		
	Rent	6 000			
	Prepaid Rent Expense		6 000		
	Wages	1 000			
	Accrued Wages Expense		1 000		
	Vehicle	7 200			
	Accumulated Dep'n – Vehicle		3 600		
	Depreciation – Vehicle		3 600		

One mark was allocated to each Journal entry. Although there were many good responses, few students achieved full marks. The correcting entry relating to depreciation proved to be problematic for many students as it was not a standard entry. Many students prepared the three balance day adjustments, but did not handle the correction of the error well. Teachers and students are advised to practise corrections of errors with unusual combinations so that performances on this type of question can be improved.

## 2.4.2

<b>Marks</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average</b>
%	25	8	11	14	19	23	2.7

### GENERAL JOURNAL

Date 2011	Particulars	General Ledger		Subsidiary Ledger	
		Debit \$	Credit \$	Debit \$	Credit \$
30 June	Profit and Loss Summary	117 280			
	Advertising		300		
	Rent		6 000		
	Wages		25 000		
	Depreciation – Vehicle		3 600		
	Stock Loss		2 500		
	Cost of Sales		76 000		
	Discount Expense		480		
	Freight Inward		1 000		
	Interest Expense		2 400		
	Capital	32 800			
	Drawings		32 800		

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One mark each was awarded for:

- the debit to Profit and Loss Summary
- Stock Loss of \$2500
- Advertising, Rent, Wages and Depreciation of Vehicle
- Cost of Sales, Discount Expense, Freight Inward and Interest Expense
- the double entry for Capital and Drawings.

Although many students performed quite well on this question, a lack of attention to detail proved costly for some. The stock loss was omitted by many, despite the fact that it was clearly stated in the General Journal provided in the question. Other students failed to adjust the expense accounts with the balance day adjustments in the previous question.

### 2.4.3

Marks	0	1	2	3	Average
%	27	8	20	45	1.8

### PROFIT AND LOSS SUMMARY

Date 2011	Cross Reference	\$	Date 2010	Cross Reference	\$
30 June	Expenses	117 280	30 June	Revenues	152 800
	Capital	35 520			
		152 800			152 800

This question was the third in a sequence of questions that relate to one another. Having prepared closing entries in the previous question, the total for expenses should have been carried forward to this question so that the profit for the period could be determined. Generally speaking, this question was handled well by many students. One area of concern was that some responses did not demonstrate correct closing procedures, as shown in the above account.

### 2.4.4

Marks	0	1	2	3	4	Average
%	24	4	5	13	54	2.7

### Bubble Baths

#### Profit and Loss Statement (extract) for the six months ending 30 June 2011

	\$	\$
Sales		152 000
Less Cost of Goods Sold		
Cost of Sales	76 000	
Freight Inward	1 000	77 000
<b>GROSS PROFIT</b>		<b>75 000</b>
Less Stock Loss		2 500
<b>ADJUSTED GROSS PROFIT</b>		<b>72 500</b>

One mark was allocated for each the four key items required: Sales, Cost of Sales, Freight Inward and Stock Loss.

Common errors included:

- including Discount Revenue in the top section of the report
- failing to provide the subtotal for Cost of Goods Sold (\$77 000)
- including Stock Loss as part of Cost of Goods Sold
- incorrect formatting, such as not identifying gross profit and adjusted gross profit.

This question was well handled by most students, with many achieving full marks.

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## 2.4.5

Marks	0	1	2	Average
%	47	12	42	1

### PREPAID ADVERTISING

Date 2011	Cross Reference	\$	Date 2011	Cross Reference	\$
30 June	Bank	1 800	30 June	Advertising	300
				Balance	1 500
		1 800			1 800

One mark was allocated to the correct amount of Advertising expense being recorded on the credit side of the account. The other mark was for the correct balancing of the account. This question divided students into two distinct groups: those who handled the question very well and achieved full marks, and those who failed to score. This was disappointing as this type of question has been asked on many previous examinations and was fairly standard in terms of Prepaid Expenses.

## 2.4.6

Marks	0	1	2	Average
%	32	53	15	0.9

Explanation: Going Concern assumes the life of the business will be ongoing and indefinite. Many balance day adjustments recognise an asset or liability to be carried forward to a future period. Examples would be accrued expenses or the balance of prepaid expenses.

Although many students correctly explained the meaning of the Going Concern principle, many had difficulty with the need for balance day adjustments. Many students discussed the need for an accurate profit for the current reporting period, but this was not relevant to this question. Going Concern relates to the future reporting periods, therefore students were expected to explain how Going Concern results in the creation of accounts carried forward to the subsequent reporting period.

## 2.4.7

Marks	0	1	Average
%	61	39	0.4

Drawings is transferred at the end of each reporting period to reset the account to zero in preparation for the next period and to update the Capital account.

Many students failed to achieve full marks for this question and some did not attempt it. Students are advised to ensure that they manage the time available so that they have an opportunity to attempt all questions on the examination.

## 2.5

Marks	0	1	2	Average
%	35	22	43	1.1

### Cash Payments Journal (summary)

Date 2011	Details	Chq. No.	Bank	Disc. Rev.	Creditors	Stock	Wages	GST	Sundries
4 July	Accrued Wages	678	3 000						1000
	Wages						2000		

This type of question has been asked on many previous examinations and still presents as a problem for some students. One mark was allocated for each line of the Journal. Common errors included:

- putting the entire amount under Wages

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- putting the entire amount under Accrued Wages
- splitting the cheque into two separate payments in the Bank column
- recording the total wages incurred for the reporting period, rather than just the payment on 4 July.