

'2019 Examination Package' - Trial Examination 11 of 11

<u>/</u>		`,
<i>!</i>		ì
1		i
ļ		i
l I		i
1	THIS BOX IS FOR ILLUSTRATIVE PURPOSES ONLY	i
1		i
i		į.
i		ì
1		j
'\		,

	STUDENT	Γ NUMBE	R			_	Letter
Figures							
Words						-	

ACCOUNTING

Units 3 & 4 – Written examination

(TSSM's 2018 trial exam updated for the current study design)

ANSWER BOOK

Instructions

- A question book is provided with this answer book.
- Answer all questions in the spaces provided in this book.
- Refer to instructions on the front cover of the question book.

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

© TSSM 2019 Page 1 of 1

Question 1 11 marks

a. Complete the Inventory Card for the Superfast PC's for December 2019.

Produ	Product: Superfast PC Cost Assignment Method: FIFO									
Date 2019	Details	IN		OUT		BALANCE				
Decer	nber	Qty	Cost	Total	Qty	Cost	Total	Qty	Cost	Total
31	Balance							10	400	
								2	420	4 840

4 marks

b. Prepare the General Journal entries required on 31 December 2019 (Narrations are not required)

General Journal

Date 2019	Details	Gene	ral Ledger
		Debit	Credit

4 marks

© TSSM 2019 Page 2 of 2

c.	Explain, referring to a qualitative characteristic, how you treated the 3 Superfast PC's

3 marks

© TSSM 2019 Page 3 of 3

Question 2 19 marks **a.** Outline three changes that the business could make to improve its key indicators

6 marks

© TSSM 2019 Page 4 of 4

b.	Explain why net profit is not the best way to determine the profitability of Superior Statione
	4 ma

© TSSM 2019 Page 5 of 5

c.	Referring to the information provided suggest why Superior Stationary's Return on Owner's
	Investment is lower than the industry average.
	3 mar

© TSSM 2019 Page 6 of 6

d.	• You mention to the owner that she may be too concerned with performing in line with industry averages.					
	Discuss your comment.					
1						

6 marks

© TSSM 2019 Page 7 of 7

Question 3	6 r	narks

Explain the transaction that may have occurred for each of the entries labelled (a), (b), (c), (d), (e) and (f) above.

(a)	
(b)	
(c)	
(d)	
(e)	
(f)	

© TSSM 2019 Page 8 of 8

Question 4 11 marks

a. The General Journal entry is incomplete. Complete the General Journal Entry on 20 September 2019

General Journal (incomplete)

		General Ledger		
		Debit	Credit	
Date	Details			
20/9				
	Accounts Payable	1100		
	(Return of inventory that had deteriorated in transit – CrN 99)			

2 marks

b. Prepare an accounts payable schedule as at 30 September 2019

Fresh Fruit World Accounts Payable Schedule as at 30 September 2019

4 marks

© TSSM 2019 Page 9 of 9

c.	Explain how the transaction 10 September 2019 impacts on the accounting equation.	
		3 mark
		0 1110111
d.	Explain why the Inventory does not include GST when posted to the General Ledger.	

2 marks

© TSSM 2019 Page 10 of 10

Question 5 24 marks

a. Prepare the appropriate adjustments in the General Ledger.

General Journal

		Ge	neral Ledger
		Debit	neral Ledger Credit
Date	Details		

© TSSM 2019 Page 11 of 11

	18 marks

18 marks

6. Explain the impact on the accounting equation when the customer returned the cricket ball

3 marks

© TSSM 2019 Page 12 of 12

c.	Referring to an accounting assumption, explain why a business would prepare balance day
	adjustments
	3 ma

© TSSM 2019 Page 13 of 13

Question 6 14 marks

a. Complete the Prepaid Advertising General Ledger account for the month ended 31 March 2019.

Prepaid Advertising

Date Cross Reference Amount Date Cross Reference \$ 2019				Amount \$	

4 marks

b. Referring to accounting elements, explain how you treated office expenses expense in the income statement.	and discount

4 marks

© TSSM 2019 Page 14 of 14

Referring to a qualitative characteristic explain why Inventory Write Down is separate Income Statement.	-
Referring to an accounting assumption, explain why the Income Statement is prepared the paried and 21 March 2010	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	
Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	3 r
 Referring to an accounting assumption, explain why the Income Statement is prepared the period ended 31 March 2019.	

3 marks

© TSSM 2019 Page 15 of 15

Question 7 10 marks

- a. Reconstruct the necessary ledger accounts to determine the estimated
 - Cash collected from accounts receivable
 - Cash paid to accounts payable

Accounts Receivable

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

Accounts Payable

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

© TSSM 2019 Page 16 of 16

Inventory

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

8 marks

b. Explain why a business would prepare a variance report on a monthly basis.	

2 marks

© TSSM 2019 Page 17 of 17

Question 8	5 marks
a. Explain the depreciation methods in the chart and justify the method that you	prefer.
	3 marks
b. The owner is concerned that the last computer was sold for less than it cost accountant reported a profit on sale of the computer. Explain how this is possi	t and the

3 marks

END OF ANSWER BOOK

© TSSM 2019 Page 18 of 18