## VCE Accounting Unit 4: Nano Exam 6. Marks = 30. Time = 30 minutes.

Rose manages AllFlags, a business that trades in world flags for cash and on credit. The business uses control accounts, the perpetual stock system using the FIFO method of cost assignment and the accrual accounting system.

On 31/7/24, **AllFlags** provides the following Balance Sheet extract:

AllFlags: Balance Sheet extract at 31/7/24						
Non Current Assets	\$	\$				
Delivery Van	40000					
Less accum. deprec. Del. Van	(18000)	22000				

Depreciation rates (per year): Delivery Van 15% using reducing balance method.

During August, the following transactions occured:

31/8/24, sold old delivery van for \$20000 cash, receipt #887 and purchased a new delivery van on credit from Just Vans, \$55000 including \$5000 GST, invoice #124.

On the same date, arranged delivery of the delivery van to the business premises, \$440, including \$40 GST, from FastCouriers, invoice #F556. Finally on 31/8, paid \$2200 cash, including \$200 GST, for a shelving unit to be installed inside the new delivery van, cheque #654.

**1.1 Calculate** any profit or loss on the disposal of the delivery van. **Show** workings.

2 marks

**1.2 Record** any necessary transactions for the disposal and purchase of the non current assets in the following journals for August. Narrations are not required.

8 marks

Genera	al Journal (GJ) extra	ct											
2024						G	eneral	Ledg	ger	Subsi	diary	Ledger	
Date	Details						. \$		r. \$	Dr. \$		Cr. \$	
-													
Cash R	<b>Receipts Journal (CRJ)</b>	extract											
Date	Details	ם	oc.	Bank	_	ost of	Sales	S	undry	GST			
2024	Details	D	00.	Dam	s	sales	Sales		Junury	001	_		
											_		
Cash P	ayments Journal (CPJ	) extract											
Date 2024	Details		Doc	c. Ban	k (	Creditor	Inter	rest	Stock		fice cps.	Sundry	(
			-								1		1

<b>1.3 Show</b> how the	Delivery Van							
Delivery Van ledger account would appear for the month ending	Date	Cross-Reference	\$	Date	Cross-Reference	\$		
31/8/24. <b>Balance</b> . 4 marks								

1

## $0n \ 30/6/26$ , the following ledger accounts are provided by **AllFlags**.

		Compu	ter Syste	n	
Date	Cross-Reference	\$	Date	Cross-Reference	\$
1/6/26	Balance	4600			
	Accumul	ated Deprec	iation Co	mputer System	
Date	Cross-Reference	\$	Date	Cross-Reference	\$
			1/6/26	Balance	3800
Date	Cross-Reference	Disposal of C	omputer Date	System Cross-Reference	\$
Date	Cross-Reference	_	Date	Cross-Reference	\$
Date	Cross-Reference	\$	Date	Cross-Reference	\$
	Cross-Reference	\$ undry Credit	Date	Cross-Reference geWorks	
	Cross-Reference St Cross-Reference	s indry Credit	Date	Cross-Reference geWorks	

The computer system is depreciated at 30% per year using the reducing balance method. On 30/6/26 sold the old computer system for \$1000 cash, receipt #2876. Bought a new computer system from OrangeWorks, \$2970 including \$270 GST, invoice #76 and installation was done by Home Office Suppliers for cash, \$330 for including \$30 GST, cheque #7761.

**1.4** Using the information provided, **complete** the ledger accounts provided above. **Close/balance** at 30/6/26.

8 marks

**1.5** On 3/7/26 the business paid OrangeWorks \$2000, cheque #7765. **Show** how this would be reported in the Cash Flow Statement for July 2026.

2 marks

AllFlags: Cash Flow Statement extract for July 2026						
	\$	\$				

**1.6** Show how Computer System would be reported in the Balance Sheet at 30/6/28.

3 marks

AllFlags: Balance Sheet extract at 30/6/28							
Non Current Assets	\$	\$					
Computer system							

**1.7** In a past reporting period a loss on disposal of office furniture was reported. **Explain** how a loss on disposal occurs.

3 marks