

Neap

smartstudy

ACCOUNTING VCE UNITS 3&4

Neap smartstudy Questions

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Unit 3 Area of Study 1: Recording and analysing financial data

Topic 1: The accounting equation

Question 1 (3 marks)

Assets	=	Liabilities	+	Owner's Equity
98 600	=	47 600	+	
	=	74 800	+	43 000
110 600	=		+	35 000

Question 2 (2 marks)

Question 3 (22 marks)

a.

2 marks

Credit Sales classification:
Explanation:

b.

2 marks

Inventory classification:
Explanation:

c.

2 marks

Shop Equipment classification:
Explanation:

d.

2 marks

Discount Expense classification:
Explanation:

e.

2 marks

Mortgage classification:
Explanation:

f.

2 marks

GST Clearing classification:
Explanation:

g.

2 marks

Drawings classification:
Explanation:

h.

2 marks

Interest Revenue classification:
Explanation:

i.

2 marks

Discount Revenue classification:
Explanation:

j.

2 marks

Loan classification:
Explanation:

k.

2 marks

Bank overdraft classification:
Explanation:

Question 4 (6 marks)

a.

2 marks

b.

2 marks

c.

2 marks

Question 5 (12 marks)

a.

3 marks

b.

3 marks

c.

3 marks

d.

3 marks

Question 6 (9 marks)

a.

3 marks

b.

3 marks

c.

3 marks

Question 7 (4 marks)

a.

2 marks

Explanation:

b.

2 marks

Explanation:

Question 8 (3 marks)

Explanation:

Topic 2: Accounting assumptions and qualitative characteristics

Question 1 (4 marks)

Accounting Assumption:
Explanation:

Accounting Assumption:
Explanation:

Question 2 (4 marks)

Qualitative Characteristic:
Explanation:

Qualitative Characteristic:
Explanation:

Question 3 (3 marks)

Explanation:

Question 4 (2 marks)

Qualitative Characteristic:
Explanation:

Question 5 (7 marks)

a. 2 marks

Qualitative Characteristic:
Explanation:

b. 5 marks

	Classification (I, P or O)
Transaction documents (for example invoice)	
Balance Sheet	
Income Statement	
General Journal	
General Ledger	

Question 6 (2 marks)

Accounting Assumption:
Explanation:

Question 7 (6 marks)

a. 2 marks

Explanation:

b. 4 marks

Accounting Assumption:
Qualitative Characteristic:
Explanation:

Question 8 (12 marks)

a. 2 marks

Explanation:

b. 4 marks

Accounting Assumption:
Qualitative Characteristic:
Explanation:

c.

4 marks

Accounting Assumption:
Explanation:

d.

2 marks

Explanation:

Question 9 (5 marks)

a.

1 mark

Source Document:

b.

2 marks

Qualitative Characteristic:
Explanation:

c.

2 marks

Accounting Assumption:
Explanation:

Topic 3: Recording for Accounts Payable, Accounts Receivable and inventory

Question 1 (2 marks)

Explanation:

Question 2 (12 marks)

a.

8 marks

Transaction	GST (if applicable)	Total Amount
Business takes a \$10 000 loan from ABC bank		
Purchase Delivery Van for cash \$40 000		
Inventory sold for \$5 000 on credit		
Owner contributes additional capital \$4 000 cash		
Wages paid \$3 000		
Purchased Inventory on credit \$8 000		
Advertising \$770 paid (GST included)		
Drawings \$6 000		

b.

4 marks

Transaction	Amount before GST	GST	Price including GST
Sale of 10 items at \$12 each plus GST			
Sale of 20 items at \$13.20 each including GST			
10 Inventory purchased at cost of \$50 each			
15 Inventory items purchased at \$10 each			

Question 3 (10 marks)

a.

2 marks

Explanation:

b.

4 marks

General Journal

Date 2023	Details	Debit	Credit

c.

4 marks

Discussion:

Question 4 (6 marks)

a.

4 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Explanation:

Question 5 (8 marks)

a.

6 marks

Entry number	Reason for entry
1	
2	
3	
4	
5	
6	

b.

2 marks

Explanation:

Question 6 (5 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Explanation:

Question 7 (20 marks)

a.

7 marks

General Journal

Date 2023	Details	Debit	Credit

b.

5 marks

GST Clearing

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

c.

2 marks

Explanation:

d. i.

1 mark

Explanation:

ii.

1 mark

Explanation:

e.

4 marks

Discussion:

Question 8 (5 marks)

a.

4 marks

General Journal

Date 2023	Details	Debit	Credit

b.

1 mark

Working space			
	<table border="1"> <tr> <td data-bbox="1292 956 1289 987">Percentage Mark-up:</td> <td data-bbox="1289 956 1441 987"></td> </tr> </table>	Percentage Mark-up:	
Percentage Mark-up:			

Question 9 (9 marks)

a.

5 marks

**Agarsea Trophy Shop
Trial Balance as at 30 June 2023**

	Debit	Credit

b.

2 marks

Explanation:

c.

2 marks

Question 10 (1 mark)

Question 11 (5 marks)

Account	Amount	Debit/Credit
Sales Return		
GST Clearing		
Accounts Receivable		
Inventory		
Cost of Sales		

Question 12 (2 marks)

Explanation:

Question 13 (2 marks)

Explanation:

Question 14 (8 marks)

a.

6 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Explanation:

Question 15 (11 marks)

a.

8 marks

General Journal

Date 2023	Details	Debit	Credit

b.

3 marks

Qualitative Characteristic:
Explanation:

Question 16 (17 marks)

a.

8 marks

Item: Standard Golf Club		Cost Assignment Method: FIFO								
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

Item: Deluxe Golf Club		Cost Assignment Method: FIFO								
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

b.

3 marks

Explanation:

c.

4 marks

Explanation:

d.

2 marks

Explanation:

Question 17 (10 marks)

a.

4 marks

Accounts Payable

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

b.

1 mark

c.

5 marks

General Journal

Date 2023	Details	Debit	Credit

Question 18 (9 marks)

a.

8 marks

General Journal

Date 2023	Details	Debit	Credit

b.

1 mark

Working space			
	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Cost of Sales:</td> <td style="width: 50px;"></td> </tr> </table>	Cost of Sales:	
Cost of Sales:			

Question 19 (13 marks)

a.

8 marks

**PillowChairs
General Journal**

Date 2023	Details	Debit	Credit

b.

5 marks

**Kyabramata Supplies
General Journal**

Date 2023	Details	Debit	Credit

Question 20 (13 marks)

a.

6 marks

Accounts Receivable – McSconeville

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

b.

7 marks

Accounts Payable – Rosie Day Imports

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Question 21 (13 marks)

a.

6 marks

b.

2 marks

General Journal

Date 2023	Details	Debit	Credit

Question 22 (31 marks)

a.

17 marks

Kim's Knickers
General Journal

Date 2023	Details	Debit	Credit

b.

8 marks

Accounts Receivable – Hoi Man Lee

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Accounts Receivable – G. Salemme

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

3 marks

Justification:

d.

3 marks

Explanation:

Question 23 (31 marks)

a.

6 marks

Item: Rocking Horses					Cost Assignment Method: FIFO					
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

b.

10 marks

General Journal

Date 2023	Details	Debit	Credit

c.

8 marks

Inventory

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

d.

1 mark

Inventory

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

e.

2 marks

Description:

f.

2 marks

Explanation:

g.

2 marks

Explanation:

Question 24 (23 marks)

a.

12 marks

Item: Mowers				Cost Assignment Method: FIFO						
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

b.

3 marks

Income Statement (extract) for month ending 30 November 2023

c.

2 marks

d.

2 marks

Explanation:

e.

4 marks

Discussion:

Question 25 (41 marks)

a.

21 marks

General Journal

Date 2023	Details	Debit	Credit

Date 2023	Details	Debit	Credit

b.

15 marks

Accounts Payable – Tennis Traders

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Accounts Receivable – Lobo Sports

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Inventory

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

2 marks

Explanation:

d.

3 marks

Accounting Assumption:

Question 26 (10 marks)

a. 1 mark

Working space	
	Unit Price:

b. 4 marks

Explanation:

c. 3 mark

Qualitative Characteristic:
Explanation:

d. 2 marks

Explanation:

Question 27 (10 marks)

a. 2 marks

Working space	
	Cost Price:

b. i.

2 marks

Justification:

ii.

2 marks

Justification:

iii.

2 marks

Justification:

c.

2 marks

Item: Coffee Mugs			Supplier: Hugely Funny Products							
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

Question 28 (15 marks)

a.

6 marks

Item: Mango Yogurt Code: MY21		Cost Assignment Method: FIFO								
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

b.

2 marks

	Quantity	Cost	Realisable Value	Delivery Cost	NRV	Lower of cost or NRV	Total
Damaged Inventory							
Other Inventory							
Total							

c.

3 marks

General Journal

Date 2023	Details	Debit	Credit

d.

4 marks

Justification:

Question 29 (6 marks)

a.

2 marks

b.

4 marks

Discussion:

Question 30 (4 marks)

Explanation:

Question 31 (6 marks)

a.

2 marks

	Quantity	Cost	Realisable Value	Selling Costs	NRV	Lower of cost or NRV	Inventory Write-Down per unit
Flex Umbrellas							
Rigid Umbrellas							
Total Inventory Write-Down							

b.

2 marks

Item: Rigid Umbrella Code: RU2		Cost Assignment Method: FIFO								
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

c.

2 marks

Explanation:

Question 32 (7 marks)

a. and b.

2 + 2 = 4 marks

Item: Class 1 Handbags Code No: C1H		Cost Assignment Method: FIFO								
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

c.

3 marks

General Journal

Date 2023	Details	Debit	Credit

Question 33 (14 marks)

a.

4 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Item: Grand Final Posters						Cost Assignment Method: FIFO				
Code No: GF2023										
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

c.

4 marks

d.

4 marks

Discussion:

Question 34 (23 marks)

a.

2 marks

Working space

Cost Price:	

b.

3 marks

Qualitative Characteristic:

Explanation:

c.

2 marks

Item: Hedge Trimmer		Cost Assignment Method: FIFO								
Code No: 508										
Date 2023	Details	In			Out			Balance		
		Qty.	Cost	Total	Qty.	Cost	Total	Qty.	Cost	Total

d.

6 marks

Max Mart
Income Statement for month ending 30 November 2023

Revenue	Product Cost		Period Cost	
	\$	\$	\$	\$

e.

2 marks

Explanation:

f.

2 marks

Explanation:

g. i.

2 marks

Justification:

ii.

2 marks

Justification:

h.

2 marks

Discussion:

Topic 4: The closing process and generating the Income Statement and Cash Flow Statement

Question 1 (8 marks)

a.

4 marks

General Journal

Date 2022	Details	Debit	Credit

b.

2 marks

General Journal

Date 2022	Details	Debit	Credit

c.

2 marks

Explanation:

Question 2 (4 marks)

a.

2 marks

Explanation:

b.

2 marks

General Journal

Date 2022	Details	Debit	Credit

Question 3 (9 marks)

a.

3 marks

Error	Explanation
1	
2	
3	
4	
5	
6	
7	

b.

6 marks

General Journal

Date 2023	Details	Debit	Credit

Question 4 (6 marks)

a.

4 marks

Profit and Loss Summary

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Capital

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

b.

2 marks

Income Statement (extract)

Question 5 (6 marks)

Item	Operating/Investing/Financial	Inflow/Outflow
Payments to Accounts Payable		
Loan Repayment		
Drawings (of Cash)		
Interest on Loan		
Cash Sales		
Cash Purchase of Equipment		

Question 6 (3 marks)

Classification:
Explanation:

Question 7 (2 marks)

Question 8 (3 marks)

Classification:
Justification:

Question 9 (5 marks)

Error	Explanation
1	
2	
3	
4	
5	

Question 10 (10 marks)

Tuscan Tin Cans

Cash Flow Statement for the year ended 31 December 2023

OPERATING ACTIVITIES	\$	\$

Unit 4 Area of Study 1: Extension of recording and reporting

Topic 1: Balance day adjustments for prepaid expenses, accrued expenses and depreciation of non-current assets

Question 1 (8 marks)

a.

4 marks

Working space

	Expense
Advertising Expense	
Wages Expense	
Insurance Expense	
Rates Expense	

b.

4 marks

Working space

	Expense
Wages Paid	
Advertising Prepaid	
Interest Paid	
Insurance Paid	

Question 2 (7 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

c.

2 marks

General Journal

Date 2023	Details	Debit	Credit

Question 3 (5 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Explanation:

Question 4 (5 marks)

a.

2 marks

Explanation:

b.

2 marks

Wages Expense

Date 2025	Cross-reference	Amount	Date 2025	Cross-reference	Amount

c.

1 mark

Cash Payments Journal

Date 2025	Details	Debit	Credit

Question 5 (3 marks)

Prepaid Insurance

Date	Cross-reference	Amount	Date	Cross-reference	Amount

Question 6 (4 marks)

a.

1 mark

Working space	
	Rent Expense:

b.

3 marks

Report	Item	Classification	Amount

Question 7 (5 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b. i.

1 mark

Balance Sheet
As at 31 December 2024 (extract)

Non-Current Assets	\$	\$

ii.

1 mark

Balance Sheet
As at 31 December 2024 (extract)

Non-Current Assets	\$	\$

Question 8 (13 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 marks

Explanation:

c.

2 marks

Oakleigh South Motor Repairs
Balance Sheet (extract) as at 31 October 2023

Non-Current Assets	\$	\$

d.

6 marks

Explanation:

Question 9 (15 marks)

a.

10 marks

General Journal

Date 2023	Details	Debit	Credit

b.

3 marks

Wages

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

2 marks

General Journal

Date 2023	Details	Debit	Credit

Question 10 (37 marks)

a.

18 marks

General Journal

Date 2023	Details	Debit	Credit

b.

5 marks

General Journal

Date 2023	Details	Debit	Credit

c.

3 marks

Profit and Loss Summary

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

d.

3 marks

General Journal

Date 2023	Details	Debit	Credit

e.

8 marks

**Calm Sewing Machines
Balance Sheet (extract) as at 30 June 2023**

	\$	\$

Topic 2: Accounting for non-current assets (purchasing and disposing) including the reducing balance method of depreciation

Question 1 (14 marks)

a.

4 marks

General Journal

Date 2023	Details	Debit	Credit

b.

4 marks

Working space

	31 December 2023	31 December 2024
Straight-line method		
Reducing balance method		

c.

2 marks

Explanation:

d.

4 marks

Discussion:

Question 2 (9 marks)

a.

2 marks

b.

3 marks

Explanation:

c.

4 marks

Discussion:

Question 3 (5 marks)

a. i.

1 mark

ii.

1 mark

iii.

1 mark

b.

2 marks

Report	Classification	Item	Amount
Income Statement			
Cash Flow Statement			

Question 4 (18 marks)

a.

4 marks

General Journal

Date	Details	Debit	Credit

b.

5 marks

General Journal

Date 2023	Details	Debit	Credit

c.

7 marks

Machinery

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Disposal of Machinery

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Loss on Disposal of Machinery

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

d.

2 marks

Explanation:

Question 5 (6 marks)

a.

2 marks

b.

2 marks

Explanation:

c.

2 marks

Explanation:

Question 6 (13 marks)

a.

3 marks

Working space

	<table border="1"> <tr> <td>Year 1 depreciation:</td> <td> </td> </tr> <tr> <td>Year 2 depreciation:</td> <td> </td> </tr> <tr> <td>Year 3 depreciation:</td> <td> </td> </tr> </table>	Year 1 depreciation:		Year 2 depreciation:		Year 3 depreciation:	
Year 1 depreciation:							
Year 2 depreciation:							
Year 3 depreciation:							

b.

3 marks

Description:

c.

7 marks

General Journal

Date 2023	Details	Debit	Credit

Question 7 (5 marks)

a.

2 marks

Working space		
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Carrying Value:</td> <td style="width: 50px; height: 20px;"> </td> </tr> </table>	Carrying Value:	
Carrying Value:		

b.

1 mark

Working space		
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Proceeds from Sale:</td> <td style="width: 50px; height: 20px;"> </td> </tr> </table>	Proceeds from Sale:	
Proceeds from Sale:		

c.

2 marks

Question 8 (17 marks)

a.

8 marks

General Journal

Date 2023	Details	Debit	Credit

b.

6 marks

Computer

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Disposal of Computer

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

2 marks

Income Statement for the quarter ended 31 March 2023

Item	Revenue/Expense	Amount

d.

1 mark

Cash Flow Statement for the quarter ended 31 March 2023

Item	Classification	Inflow/Outflow	Amount

Question 9 (14 marks)

a.

6 marks

General Journal

Date 2023	Details	Debit	Credit

b.

6 marks

Equipment

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Disposal of Equipment

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

2 marks

Report	Classification	Amount

Question 10 (12 marks)

General Journal

Date 2023	Details	Debit	Credit

Topic 3: Bad and doubtful debts

Question 1 (8 marks)

a.

2 marks

General Journal

Date 2024	Details	Debit	Credit

b.

2 marks

General Journal

Date 2024	Details	Debit	Credit

c.

4 marks

Allowance for Doubtful Debts

Date	Cross-reference	Amount	Date	Cross-reference	Amount

Bad Debts

Date 2024	Cross-reference	Amount	Date 2024	Cross-reference	Amount

Accounts Receivable – R Tarrant

Date 2024	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Question 2 (3 marks)

Doubtful debts:
Bad debts:
Allowance for doubtful debts:

Question 3 (1 mark)

Working space
Doubtful Debts:

Question 4 (2 marks)

Explanation:

Question 5 (20 marks)

a.

4 marks

Credit Sales

Date 2022	Cross-reference	Amount	Date 2022	Cross-reference	Amount

Accounts Receivable

Date 2022	Cross-reference	Amount	Date 2022	Cross-reference	Amount

Bad Debts

Date 2022	Cross-reference	Amount	Date 2022	Cross-reference	Amount

Allowance for Doubtful Debts

Date 2022	Cross-reference	Amount	Date 2022	Cross-reference	Amount

b.

4 marks

Balance Sheet (extract) 31 December 2022

c.

4 marks

Credit Sales

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Accounts Receivable

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Bad Debts

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Allowance for Doubtful Debts

Date	Cross-reference	Amount	Date	Cross-reference	Amount

d.

4 marks

Balance Sheet (extract) 31 December 2023

e.

4 marks

Explanation:

Topic 4: Further balance day adjustments, unearned revenue and accrued revenue

Question 1 (8 marks)

a. i.

2 marks

Revenue Amount	Asset/Liability	Asset/Liability Amount

ii.

2 marks

Revenue Amount	Asset/Liability	Asset/Liability Amount

iii.

2 marks

Revenue Amount	Asset/Liability	Asset/Liability Amount

b. i. 1 mark

Cash Receipt	Amount
Interest Revenue Received	

ii. 1 mark

Cash Receipt	Amount
Subscription Revenue	

Question 2 (8 marks)

a. 1 mark

General Journal

Date 2023	Details	Debit	Credit

b. 2 marks

General Journal

Date 2023	Details	Debit	Credit

c. 3 marks

Unearned Rent Revenue

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

d.

2 mark

Explanation:

Question 3 (8 marks)

a.

3 marks

General Journal

Date 2023	Details	Debit	Credit

b.

3 marks

Accrued Interest Revenue

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Interest Revenue

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

c.

2 marks

General Journal

Date 2023	Details	Debit	Credit

Question 4 (8 marks)

a.

6 marks

General Journal

Date 2023	Details	Debit	Credit

b.

2 mark

Explanation:

Question 5 (6 marks)

a.

4 marks

Prepaid Advertising Revenue

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

Advertising Revenue

Date 2023	Cross-reference	Amount	Date 2023	Cross-reference	Amount

b.

2 mark

Explanation:

Question 6 (6 marks)

a.

2 mark

Explanation:

b.

2 mark

Explanation:

c.

2 mark

Explanation:

Question 7 (10 marks)

a.

1 mark

General Journal

Date 2023	Details	Debit	Credit

b.

3 marks

Report	Item	Classification	Explanation
Cash Flow Statement			
Income Statement			
Balance Sheet			

c.

6 marks

General Journal

Date 2023	Details	Debit	Credit

Question 8 (21 marks)

a.

8 marks

General Journal

Date 2023	Details	Debit	Credit

Working space

b.

5 marks

Current Assets	\$	Current Liabilities	\$

c.

4 marks

General Journal

Date 2023	Details	Debit	Credit

d.

2 marks

General Journal

Date 2023	Details	Debit	Credit

e.

2 mark

Explanation:

Unit 4 Area of Study 1: Budgeting and decision-making

Topic 5: Budgeting

Question 1 (8 marks)

a.

3 marks

Working space

b.

2 marks

c.

3 marks

Explanation:

Question 2 (4 marks)

a.

1 marks

Working space		
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Cash Sales:</td> <td style="width: 50px; height: 20px;"></td> </tr> </table>	Cash Sales:	
Cash Sales:		

b.

3 marks

Working space		
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Estimated Receipts:</td> <td style="width: 50px; height: 20px;"></td> </tr> </table>	Estimated Receipts:	
Estimated Receipts:		

Question 3 (11 marks)

a.

7 marks

Kate's Kites
Cash Flow Statement Variance Report (extract) for month ending 30 June 2026

	Actual	Budget	Variance	F/U*
Cash Flows from Operating Activities				
Cash Sales		3 800	1 200	U
Receipts from Accounts Receivable	15 000		2 000	U
Payments to Accounts Payable	(12 000)	(13 830)		
Prepaid Insurance Expense		(1 000)	200	U
Wages	(4 900)		1 600	F
Advertising	(500)	(1 040)		
Net Cash Flows from Operations	(1 000)		570	F

b.

2 marks

c.

2 marks

Question 4 (7 marks)

a.

5 marks

Brian's Boats
Income Statement Variance Report (extract) for year ending 31 December 2026

	Actual	Budget	Variance	F/U*
Sales	100 000		20 000	U
Less Cost of Sales	60 000	72 000		
Gross Profit	40 000			
Less Other Expense	20 000	30 000		
Net Profit	20 000		2 000	F

b.

2 marks

Explanation:

Question 5 (12 marks)

a.

4 marks

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

	Credit Sales:	
--	----------------------	--

b.

3 marks

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

	Cash Received:	
--	-----------------------	--

c.

6 marks

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

	Cash Inflow:	
--	---------------------	--

Question 6 (13 marks)

a.

6 marks

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

	Cash Received:	
--	-----------------------	--

b.

7 marks

Inventory

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

Cash Paid:	
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Question 7 (42 marks)

a.

3 marks

Accounts Payable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space

Cash Purchase:	
-----------------------	--

b.

5 marks

Inventory

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space	
	Cost of Sales: <input type="text"/>

c.

5 marks

Accounts Receivable

Date 2026	Cross-reference	Amount	Date 2026	Cross-reference	Amount

Working space	
	Cost of Sales: <input type="text"/>

h.

4 marks

Distinction:

Question 8 (8 marks)

a.

6 marks

Old Caulfield Sales
Cash Flow Statement Variance Report for the year ended 30 June 2026

	Budget	Actual	Variance	F/U*
Cash Flow from Operating Activities				
Cash Sales	124 000	116 000	8 000	
Receipts from Accounts Receivable	80 000	64 000		
GST Collected	12 400	11 600		
Payments to Accounts Payable	(55 000)	(60 000)		
Petrol	(2 500)	(2 800)		
Other Car Expenses	(3 700)	(3 100)		
Wages	(64 000)		7 000	F
Rent	(16 000)		1 200	U
Interest	0	(2 000)		
GST Paid	(2 200)	(2 310)		
GST Settlement	(8 000)	(11 000)		
Net Cash Flows from Operating Activities				
Cash Flow from Investing Activities				
Cash Purchase of Equipment	(18 000)	(24 000)		
Net Cash Flow from Investing Activities	(18 000)	(24 000)		
Cash Flow from Financing Activities				
Loan	0	20 000		
Drawings		(25 000)	15 000	U
Net Cash Flow from Financing Activities				
Net Increase/Decrease in Cash Position				
Bank Balance 1/7/2025	83 500	83 500		
Bank Balance 30/6/2026				

b.

2 marks

c.

2 marks

Explanation:

Question 9 (26 marks)

a.

4 marks

Comparison:

b.

3 marks

Discussion:

c.

3 marks

d.

4 marks

Discussion:

e.

4 marks

**Moonee Ponds Sports Store
Income Statement Variance Report for the six months ending 31 March 2026**

	Budget	Actual	Variance	% Change	F/U
Sales					
Less Cost of Sales					
Gross Profit					
Less Other Expenses					
Net Profit					

f.

2 marks

Explanation:

g.

2 marks

Explanation:

b.

6 marks

Wheels and Spokes

Cash Flow Variance Report for the year ended 30 June 2026

	Budget	Actual	Variance	F/U*
Cash Flow from Operating Activities				
Sales	105 000	108 500		
GST Collected	10 500	10 850		
Payments to Accounts Payable	(11 500)			
Rent of Shop	(12 000)			
Wages	(30 000)	(29 240)		
Electricity	(3 000)	(3 200)		
Advertising	(2 400)		500	F
Postage and Stationery	(1 000)	(800)		
Interest	(2 700)		400	U
Telephone	(700)	(600)		
GST Paid	(1 910)	(1 990)		
GST Settlement	(24 000)	(23 000)		
Net Cash Flow from Operating Activities	26 290			
Cash Flow from Financing Activities				
Bank Loan	0	5 000		
Loan Repayments	(18 000)	(20 000)		
Drawings	(36 000)	(40 000)		
Net Cash Flow from Financing Activities	(54 000)			
Net Increase/Decrease in Cash Position	(27 710)			
Bank Balance – 1/7/2025	8 500	8 500	-	
Bank Balance – 30/6/2026	(19 210)			

c.

2 marks

d.

2 marks

j.

4 marks

Distinction:

Topic 6: Evaluating performance for profitability and liquidity

Question 1 (8 marks)

a.

2 marks

Explanation:

b.

2 marks

Explanation:

c.

4 marks

Explanation:

f.

3 marks

Explanation:

Question 3 (10 marks)

a.

2 marks

Description:

b.

4 marks

Discussion:

c.

4 marks

Discussion:

Question 5 (13 marks)

a.

2 marks

Explanation:

b.

2 marks

Reason 1:
Reason 2:

c.

2 marks

Reason 1:
Reason 2:

d.

2 marks

Explanation:

e.

3 marks

f.

2 marks

e.

3 marks

Discussion:

f.

2 marks

Explanation:

Question 7 (8 marks)

a.

2 marks

Explanation:

b.

2 marks

Explanation:

c.

4 marks

Comparison:
