

Assessment Schedule – 2007

Accounting: Prepare financial statements for sole proprietors (90026)

Evidence Statement

Question	Evidence	
ONE (a)	These financial statements are prepared for <i>The Interior Decorators</i> , a sole proprietorship decorating firm.	S
(b)	The measurement system adopted is historical cost .	S
(c)	Property, plant and equipment are stated at their original purchase price, and (except for land) depreciated .	S
(d)	Property, plant and equipment are depreciated over their estimated useful lives .	S

Judgement Statement for Question ONE

Achievement	Achievement with Merit	Achievement with Excellence
1 × S	2 × S	3 × S

TWO

The Interior Decorators
Income Statement for the year ended 31 March 2007

	\$	\$	\$
Revenue			
Decorating Fees			207 600 S C
Add Other Income			
+ Interest Received			<u>80</u> S
			207 680
Less Expenses			
Decorating Expenses			
Advertising	40 000 S		
Decorating Wages	69 700 S		
Depreciation on Decorating Equipment	6 000 S C		
Depreciation on Decorating Van	<u>2 500</u> S C	118 200	
Administrative Expenses			
Electricity	7 160 S		
Office Manager's Wages	42 000 S		
Office Rent	42 000 S C		
Insurance	<u>13 500</u> S C	104 660	
Finance Costs			
Interest on loan		<u>4 290</u> S	
Total Expenses			<u>227 150</u>
Loss for the Year / Net Loss / Deficit			(19 470) S C-ft

Notes for Assessors:

1. Show an '**S**' for the correct stem and figure (correct if no **C**) correctly classified.
2. Show '**C**' for the correct figure for Sales, Net Sales and Closing Inventory.
3. Allow follow-through as indicated by **S-ft**.
4. Accept Net Loss, Deficit, Net Profit / (Loss) with figure indicated (000) or as a negative. No **S** for profit for the year only but students can gain the **C** for the correct calculation.

Judgement Statement for Question TWO

Achievement	Achievement with Merit	Achievement with Excellence
7 × S or C or C-ft	9 × S , and 3 × C or C-ft Max 2F	10 × S and 4 × C No F

Question	Evidence																																																			
THREE	<p><i>The Interior Decorators</i> Balance Sheet (extract) as at 31 March 2007</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">\$</th> <th style="width: 15%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Current Assets</td> <td></td> <td></td> </tr> <tr> <td>Accounts Receivable</td> <td style="text-align: center;">1 800 S C</td> <td></td> </tr> <tr> <td>Bank</td> <td style="text-align: center;">19 500 S</td> <td></td> </tr> <tr> <td>Prepayments</td> <td style="text-align: center;"><u>400</u> S C</td> <td style="text-align: center;">21 700</td> </tr> <tr> <td>Non-current Assets</td> <td></td> <td></td> </tr> <tr> <td>Property, Plant and Equipment</td> <td></td> <td></td> </tr> <tr> <td>Carrying Amount</td> <td style="text-align: center;">60 000 S-ft</td> <td></td> </tr> <tr> <td>Intangible Assets</td> <td></td> <td></td> </tr> <tr> <td>Goodwill</td> <td style="text-align: center;"><u>40 000</u> S</td> <td style="text-align: center;"><u>100 000</u></td> </tr> <tr> <td>Total Assets</td> <td></td> <td style="text-align: center;">121 700</td> </tr> </tbody> </table> <p>Note to the Balance Sheet – Property, Plant and Equipment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Decorating Equipment</th> <th style="width: 20%; text-align: center;">Decorating Van</th> <th style="width: 30%; text-align: center;">Total \$</th> </tr> </thead> <tbody> <tr> <td>Cost</td> <td style="text-align: center;">60 000</td> <td style="text-align: center;">25 000</td> <td style="text-align: center;">85 000 S</td> </tr> <tr> <td>Accumulated Depreciation</td> <td style="text-align: center;"><u>15 000</u></td> <td style="text-align: center;"><u>10 000</u></td> <td style="text-align: center;"><u>25 000</u> S C C</td> </tr> <tr> <td>Carrying Amount</td> <td style="text-align: center;">45 000</td> <td style="text-align: center;">15 000</td> <td style="text-align: center;">60 000 S-ft</td> </tr> </tbody> </table> <p>Notes for Assessors:</p> <ol style="list-style-type: none"> 1. Show an 'S', 'S-ft' or tick for the correct stem and figure (correct if no C) correctly classified. 2. Show a 'C' for the correct figure. 3. The S for Accumulated Depreciation should only be shown if the treatment is correct. If incorrect treatment allow no Sft for the carrying amount in the Statement. 				\$	\$	Current Assets			Accounts Receivable	1 800 S C		Bank	19 500 S		Prepayments	<u>400</u> S C	21 700	Non-current Assets			Property, Plant and Equipment			Carrying Amount	60 000 S-ft		Intangible Assets			Goodwill	<u>40 000</u> S	<u>100 000</u>	Total Assets		121 700		Decorating Equipment	Decorating Van	Total \$	Cost	60 000	25 000	85 000 S	Accumulated Depreciation	<u>15 000</u>	<u>10 000</u>	<u>25 000</u> S C C	Carrying Amount	45 000	15 000	60 000 S-ft
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Judgement Statement for Question THREE

Achievement	Achievement with Merit	Achievement with Excellence
5 × S or C	5 × S plus 2 × C Maximum of 1 F	6 × S plus 3 × C No F

Codes

- S** = Straightforward entries
- C** = Complex entries
- F** = Foreign items

Question	Evidence																																																									
<p>FOUR</p>	<p>Statement of Cash Flows</p> <table border="1" data-bbox="341 280 1406 1288"> <thead> <tr> <th colspan="3" data-bbox="341 280 1406 383"> <p style="text-align: center;"><i>The Interior Decorators</i> Statement of Cash Flows for 15 April to 30 April 2007</p> </th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="341 383 1406 432">Receipts</td> </tr> <tr> <td data-bbox="341 432 970 481">(Cash) Fees</td> <td data-bbox="970 432 1187 481" style="text-align: right;">3 000 S</td> <td data-bbox="1187 432 1406 481"></td> </tr> <tr> <td data-bbox="341 481 970 530">Owner's Investment</td> <td data-bbox="970 481 1187 530" style="text-align: right;">1 500 S</td> <td data-bbox="1187 481 1406 530"></td> </tr> <tr> <td data-bbox="341 530 970 580">Bank Loan</td> <td data-bbox="970 530 1187 580" style="text-align: right;">10 000 S</td> <td data-bbox="1187 530 1406 580"></td> </tr> <tr> <td data-bbox="341 580 970 629">(Direct credit) Interest received</td> <td data-bbox="970 580 1187 629" style="text-align: right;"><u>15 S</u></td> <td data-bbox="1187 580 1406 629"></td> </tr> <tr> <td data-bbox="341 629 970 678">Total Receipts</td> <td data-bbox="970 629 1187 678"></td> <td data-bbox="1187 629 1406 678" style="text-align: right;">14 515.00</td> </tr> <tr> <td colspan="3" data-bbox="341 678 1406 728">Less Payments</td> </tr> <tr> <td data-bbox="341 728 970 777">Advertising</td> <td data-bbox="970 728 1187 777" style="text-align: right;">750 S</td> <td data-bbox="1187 728 1406 777"></td> </tr> <tr> <td data-bbox="341 777 970 826">Electricity</td> <td data-bbox="970 777 1187 826" style="text-align: right;">540 S</td> <td data-bbox="1187 777 1406 826"></td> </tr> <tr> <td data-bbox="341 826 970 875">Wages</td> <td data-bbox="970 826 1187 875" style="text-align: right;">3 900 S C</td> <td data-bbox="1187 826 1406 875"></td> </tr> <tr> <td data-bbox="341 875 970 925">Interest instalment</td> <td data-bbox="970 875 1187 925" style="text-align: right;">360 S</td> <td data-bbox="1187 875 1406 925"></td> </tr> <tr> <td data-bbox="341 925 970 974">Business Cards</td> <td data-bbox="970 925 1187 974" style="text-align: right;">400 S</td> <td data-bbox="1187 925 1406 974"></td> </tr> <tr> <td data-bbox="341 974 970 1023">(Direct debit) Insurance</td> <td data-bbox="970 974 1187 1023" style="text-align: right;"><u>1 125 S</u></td> <td data-bbox="1187 974 1406 1023"></td> </tr> <tr> <td data-bbox="341 1023 970 1072">Total Payments</td> <td data-bbox="970 1023 1187 1072"></td> <td data-bbox="1187 1023 1406 1072" style="text-align: right;"><u>7 075</u></td> </tr> <tr> <td data-bbox="341 1072 970 1122"></td> <td data-bbox="970 1072 1187 1122"></td> <td data-bbox="1187 1072 1406 1122"></td> </tr> <tr> <td data-bbox="341 1122 970 1171">Net increase / decrease in cash</td> <td data-bbox="970 1122 1187 1171"></td> <td data-bbox="1187 1122 1406 1171" style="text-align: right;">7 440 C-ft</td> </tr> <tr> <td data-bbox="341 1171 970 1220">Add Bank Balance at 15/4/07</td> <td data-bbox="970 1171 1187 1220"></td> <td data-bbox="1187 1171 1406 1220" style="text-align: right;"><u>2 030 C</u></td> </tr> <tr> <td data-bbox="341 1220 970 1270">Equals Bank Balance at end</td> <td data-bbox="970 1220 1187 1270"></td> <td data-bbox="1187 1220 1406 1270" style="text-align: right;">9 470 C-ft</td> </tr> </tbody> </table> <p data-bbox="276 1323 544 1350">Notes for Assessors:</p> <ol data-bbox="276 1352 1326 1473" style="list-style-type: none"> 1. Show an 'S' for the correct stem and figure correctly classified. 2. Show a 'C' for the correct figure. 3. Show the C for wages if added together. If two wages amount stated, show only 1 S. 4. Allow follow-through as indicated by C-ft. 	<p style="text-align: center;"><i>The Interior Decorators</i> Statement of Cash Flows for 15 April to 30 April 2007</p>			Receipts			(Cash) Fees	3 000 S		Owner's Investment	1 500 S		Bank Loan	10 000 S		(Direct credit) Interest received	<u>15 S</u>		Total Receipts		14 515.00	Less Payments			Advertising	750 S		Electricity	540 S		Wages	3 900 S C		Interest instalment	360 S		Business Cards	400 S		(Direct debit) Insurance	<u>1 125 S</u>		Total Payments		<u>7 075</u>				Net increase / decrease in cash		7 440 C-ft	Add Bank Balance at 15/4/07		<u>2 030 C</u>	Equals Bank Balance at end		9 470 C-ft
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Judgement Statement for Question FOUR

Achievement	Achievement with Merit	Achievement with Excellence
$7 \times \mathbf{S}$ or \mathbf{C} or $\mathbf{C-ft}$	$7 \times \mathbf{S}$ plus $2 \times \mathbf{C}$ or $\mathbf{C-ft}$ Maximum 1F	$8 \times \mathbf{S}$ plus $3 \times \mathbf{C}$ or $\mathbf{C-ft}$ No F

Overall Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
$3 \times \mathbf{A}$ or $2 \times \mathbf{M}$ plus $2 \times \mathbf{A}$ or $1 \times \mathbf{E}$ plus $1 \times \mathbf{M}$ plus $2 \times \mathbf{A}$	$1 \times \mathbf{A}$ plus $3 \times \mathbf{M}$ or $1 \times \mathbf{A}$ plus $2 \times \mathbf{M}$ plus $1 \times \mathbf{E}$ or $2 \times \mathbf{A}$ plus $2 \times \mathbf{E}$	$3 \times \mathbf{E}$ plus $1 \times \mathbf{M}$