Assessment Schedule - 2010

Accounting: Demonstrate an understanding of the conceptual basis of accounting (90022)

Evidence Statement

Codes used:

 $\bf S$ = Describe, $\bf Re$ = Recognise elements, $\bf Rc$ = Recognise concepts, $\bf De$ = Define elements, $\bf Dc$ = Define concepts, $\bf Ae$ = Apply elements, $\bf Ac$ = Apply concepts

Q	Evidence		Code
ONE			S
(a)	To measure/see/calculate the profit/loss/income/expenses		or
	To measure/see/calculate the profit/loss/income/expenses: every month/on a monthly basis OR for Hot Potato Café.		SS
(b)	B C A		2/4= S 4/4 = SS
(c)	ONE of: owner / Sarah investing in business / Hot Potato Café loan from family / bank sell a (surplus) PPE asset – arrange a credit contract to purchase the new furniture		1 = S
(d)	Assets	enses	5/9 = Re
	bank clear	ning	7/9 =
	term deposit café	workers' wages	Re Re
	café tables insur	rance	
	petty cash inter-	est on loan	
	prepayments		
(e) (i)	Drawings		Rc
(e) (ii)	transactions of the entity separate and distinct from the financial/economic affairs/		Dc
	expenses/transactions of the owner.		
	Sarah records the amount of the family meals as drawings to keep her personal transactions separate from her business transactions OR		Ac
	Sarah records the amount of the family meals as drawings to ensure that only business expenses are reported in <i>Hot Potato Café</i> 's financial statements/Income Statement.		
(f)	Monetary measurement		Rc

Q	Evidence		Code
ONE			
(g)	Characteristic of an asset	Explanation	
	(i) (Present) control	Hot Potato Café has the sole use of the oven; it is stored in their kitchen which is locked when not in use.	Re
	Future inflow of resources	i) Hot Potato Café uses the oven to prepare meals to sell in the café to earn revenue/income/cash	De or
	Note : Restrict to De for (g) (ii) if no mention of specifically how the oven is used to earn revenue / cash.		Ae
(h)	The transactions are reported in the (financial statements of the) periods to which they relate/in the current period.		Dc
	For Apply, candidates must refer to a decrease in the expense "advertising" in the current period.		or
	eg, the prepayment decreases the (advertising) expense reported for the current period (in the Income Statement).		
	AND/OR reporting this as an asset in the period.		Ac
	eg the amount of prepaid advertising is reported as a (current) asset in the Statement of Financial Position (Balance Sheet) at the end of the period / in this period .		

Judgement Statement - Question One

Achievement	Achievement with Merit	Achievement with Excellence
2 S	2 S	3 S
plus any other 4 grades	plus 1 D and 1 Ac	plus 2 A
	OR 2 D and 1 Ae	plus 3 other grades
	Or 3 Ds	
	plus Rc and Re	

Q	Evidence	Code	
TWO		S	
(a)	To show where cash has been spent/to show cash received/to show cash paid		
	To show how the bank balance changed		
(b)	Period Reporting/Reporting Period		
(c)	Checks the accuracy/reliability of financial statements/records/accounting systems		
(d)	Personal assets will not have to be used to pay debts in the event of the club's having financial difficulty.	S or	
	The members' personal assets will not have to be used to pay the <i>Rapid Rowers Inc</i> 's debts in the event of <i>Rapid Rowers Inc</i> having financial difficulty.	ss	
(e)	In order to define, the candidate must refer to a decrease in equity (or Accumulated	De	
	Funds) and a decrease in assets (OR increase in liabilities) eg Repairs to the boats are a decrease in equity from a decrease in assets (OR an increase in liabilities)	or	
	Expense is a decrease in economic benefits in the form of outflows/decrease of assets (or increases in liabilities) that result in a decrease in equity	Ae	
	Must have assets (or liabilities), equity for a D		
	Drawings is not required.		
	An applied answer shows why/how the asset and equity increases.		
	Eg, Repairs to boats decreases the surplus, which decreases the equity/ accumulated funds. The bank account asset will decrease when the boat repairs are paid for		
	Must have repairs, surplus, bank, and equity or accumulated funds for an A.		
(f)	Subscriptions in advance	1 = Re	
	• Loan	2 = Re Re	
	Accounts payable		
(g)	Assets minus liabilities	De	
		or	
	Accumulated funds is Rapid Rowers Inc assets minus their liabilities.	Ae	
(h) (i)	Historical cost	st Rc	
(h) (ii)	Historical cost is reporting assets at their original purchase price.	Dc	
		or	
	The equipment shed is being reported by <i>Rapid Rowers Inc</i> at its original purchase price of \$20 000.	Ac	
	Note: For Ac, reference to Rapid Rowers Inc AND \$20 000 is required.		

Judgement Statement – Question Two

Achievement	Achievement with Merit	Achievement with Excellence
1 S	1 S	2 S
plus any other 3 grades	plus 2 D or A	plus 2 A
	plus Rc and Re	plus 2 other grades

Overall Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
2 A or 1 M or 1 E	1 M plus 1 A	1 E plus 1 M
including	including	including
1 Re OR 1 De <i>OR</i> 1 Ae	1 De OR 1 Ae	1 Ac <i>AND</i> 1 Ae
AND	AND	
1 Rc OR 1 Dc <i>OR</i> 1 Ac	1 Dc <i>OR</i> 1 Ac	
(ie one grade from concepts and one grade from elements)	(ie one grade from concepts and one grade from elements)	