

**Assessment Schedule – 2010****Accounting: Demonstrate an understanding of the conceptual basis of accounting (90022)****Evidence Statement**

Codes used:

**S** = Describe, **Re** = Recognise elements, **Rc** = Recognise concepts, **De** = Define elements, **Dc** = Define concepts, **Ae** = Apply elements, **Ac** = Apply concepts

<b>Q</b>	<b>Evidence</b>	<b>Code</b>				
<b>ONE</b> (a)	To measure / see / calculate the profit / loss / income / expenses  To measure / see / calculate the profit / loss / income / expenses: <ul style="list-style-type: none"> <li>• every month / on a monthly basis OR</li> <li>• for <i>Hot Potato Café</i>.</li> </ul>	<b>S</b> or  <b>SS</b>				
(b)	B C A D	2/4 = <b>S</b> 4/4 = <b>SS</b>				
(c)	ONE of: <ul style="list-style-type: none"> <li>• owner / Sarah investing in business / <i>Hot Potato Café</i></li> <li>• loan from family / bank</li> <li>• sell a (surplus) PPE asset – arrange a credit contract to purchase the new furniture</li> </ul>	1 = <b>S</b>				
(d)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><b>Assets</b></th> <th style="text-align: left;"><b>Expenses</b></th> </tr> </thead> <tbody> <tr> <td>bank term deposit café tables petty cash prepayments</td> <td>cleaning café workers' wages insurance interest on loan</td> </tr> </tbody> </table>	<b>Assets</b>	<b>Expenses</b>	bank term deposit café tables petty cash prepayments	cleaning café workers' wages insurance interest on loan	5/9 = <b>Re</b> 7/9 = <b>Re Re</b>
<b>Assets</b>	<b>Expenses</b>					
bank term deposit café tables petty cash prepayments	cleaning café workers' wages insurance interest on loan					
(e) (i)	Drawings	<b>Rc</b>				
(e) (ii)	The notion of accounting entity is to keep the financial / economic affairs / expenses / transactions of the entity separate and distinct from the financial / economic affairs / expenses / transactions of the owner.  Sarah records the amount of the <b>family meals</b> as <b>drawings</b> to keep her personal transactions separate from her business transactions OR Sarah records the amount of the <b>family meals</b> as <b>drawings</b> to ensure that only business expenses are reported in <i>Hot Potato Café's</i> financial statements / Income Statement.	<b>Dc</b>  or  <b>Ac</b>				
(f)	<b>Monetary</b> measurement	<b>Rc</b>				



Q	Evidence	Code
<b>TWO</b>		<b>S</b>
(a)	<ul style="list-style-type: none"> <li>To show where cash has been spent /to show cash received /to show cash paid</li> <li>To show how the bank balance changed</li> </ul>	
(b)	Period Reporting /Reporting Period	<b>Rc</b>
(c)	Checks the <b>accuracy /reliability</b> of financial statements /records /accounting systems	<b>S</b>
(d)	<p><b>Personal</b> assets will not have to be used to pay debts in the event of the club's having financial difficulty.</p> <p>The members' personal assets will not have to be used to pay the <i>Rapid Rowers Inc's</i> debts in the event of <i>Rapid Rowers Inc</i> having financial difficulty.</p>	<p><b>S</b> or <b>SS</b></p>
(e)	<p>In order to <b>define</b>, the candidate must refer to a <b>decrease in equity (or Accumulated Funds)</b> and a <b>decrease in assets (OR increase in liabilities)</b> eg Repairs to the boats are a decrease in <b>equity</b> from a decrease in <b>assets</b> (OR an increase in liabilities) <b>Expense</b> is a decrease in economic benefits in the form of outflows / decrease of <b>assets</b> (or increases in liabilities) that result in a decrease in <b>equity</b> <i>Must have assets (or liabilities), equity for a D</i> <i>Drawings is not required.</i></p> <p>An applied answer shows why / how the asset and equity increases. Eg, <b>Repairs to boats decreases the surplus, which decreases the equity / accumulated funds. The bank account</b> asset will <b>decrease</b> when the boat repairs are paid for <i>Must have repairs, surplus, bank, and equity or accumulated funds for an A.</i></p>	<p><b>De</b> or <b>Ae</b></p>
(f)	<ul style="list-style-type: none"> <li>Subscriptions in advance</li> <li>Loan</li> <li>Accounts payable</li> </ul>	<p>1 = <b>Re</b> 2 = <b>Re Re</b></p>
(g)	<p>Assets minus liabilities</p> <p>Accumulated funds is <i>Rapid Rowers Inc</i> assets minus their liabilities.</p>	<p><b>De</b> or <b>Ae</b></p>
(h) (i)	Historical cost	<b>Rc</b>
(h) (ii)	<p>Historical cost is reporting assets at their original purchase price.</p> <p>The equipment shed is being reported by <i>Rapid Rowers Inc</i> at its original purchase price of \$20 000. <b>Note:</b> For <b>Ac</b>, reference to <i>Rapid Rowers Inc</i> AND \$20 000 is required.</p>	<p><b>Dc</b> or <b>Ac</b></p>

**Judgement Statement – Question Two**

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

**Overall Judgement Statement**

<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
<p style="text-align: center;"> <b>2 A or 1M or 1E</b>            including  <b>1 Re OR 1 De OR 1 Ae</b>            AND  <b>1 Rc OR 1 Dc OR 1 Ac</b>            (ie one grade from concepts and            one grade from elements)         </p>	<p style="text-align: center;"> <b>1 M plus 1 A</b>            including  <b>1 De OR 1 Ae</b>            AND  <b>1 Dc OR 1 Ac</b>            (ie one grade from concepts and one            grade from elements)         </p>	<p style="text-align: center;"> <b>1 E plus 1 M</b>            including  <b>1 Ac AND 1 Ae</b> </p>