

**Assessment Schedule – 2007**

**Accounting: Process financial information for partnerships and companies (90501)**

**Evidence Statement**

Question	Evidence				Code						
<b>ONE (a)</b>	<b>General Journal</b>										
	01/07/06	Bank	60 000		<b>S</b>	<b>C</b>					
		Capital – Sanjay Prasad		60 000	<b>S</b>						
<p><b>Important Note:</b>  <b>NOTHING</b> is awarded to any entry (<b>no S or C for any part of the entry</b>) where the capital account is <b>not named</b> – minimum name is Sanjay or Prasad or S Prasad.</p> <p><b>Judgement</b>                      Provided Capital account is <b>named</b>, award as follows:</p> <table border="1" style="margin-left: 20px;"> <tr> <td style="text-align: center;"><b>S</b></td> <td rowspan="2" style="text-align: center;"><b>C</b></td> <td><b>S</b> for correct stem, correct debit/credit column and a figure.</td> </tr> <tr> <td style="text-align: center;"><b>S</b></td> <td><b>C</b> ONLY awarded if both S given, then for correct figure.</td> </tr> </table>							<b>S</b>	<b>C</b>	<b>S</b> for correct stem, correct debit/credit column and a figure.	<b>S</b>	<b>C</b> ONLY awarded if both S given, then for correct figure.
<b>S</b>	<b>C</b>	<b>S</b> for correct stem, correct debit/credit column and a figure.									
<b>S</b>		<b>C</b> ONLY awarded if both S given, then for correct figure.									

<b>(b)</b>	<ul style="list-style-type: none"> <li>The van is recorded at agreed value (\$20 000) because this is the fair value / acquisition cost of the van to the new business / on the date the partnership started</li> <li>\$32 000 is <b>not</b> the cost of the van to the new business, \$20 000 is.</li> </ul> <p><b>Judgement</b> – award both <b>S</b> and <b>C</b>:</p> <ul style="list-style-type: none"> <li>just says van and fair value / acquisition cost</li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>adds the idea of a new business / start of the partnership.</li> </ul>	<b>S*</b> <b>or</b> <b>S*C*</b>
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<b>(c)</b>	<b>TSG TV Repair General Journal</b>				
	01/07/06	Bank	15 300		<b>S#</b>
		Office Equipment	22 000		<b>S C</b>
		Repair Equipment	20 000		<b>S C</b>
		Inventory – Spare Parts	10 000		<b>S C</b>
		Accounts Receivable	4 100		<b>S C</b>
		Goodwill	20 700		<b>S C</b>
		Allowance for Doubtful Debts		100	<b>S C</b>
		Loan		12 000	<b>S#</b>
		Capital – Tom		80 000	<b>S#</b>

**Judgement:**

**S** correct stem, correct Dr / Cr and a figure;

**C** correct figure only if **S** awarded;

**S#** – only award these three **S** if Capital is named.

(d)	Current – Gill Ralston						Code
	30/06/07	Salary		42 000	42 000	Cr	
	Interest on Capital		4 800	46 800	Cr		
	Interest on drawings	400		46 400	Cr	<b>SC</b>	
	Share of (residual) loss / profit	5 000		41 400	Cr	<b>S</b>	
	Drawings	50 000		8 600	Dr	<b>S C#</b>	
<p><b>Judgement</b> – award as follows:</p> <p><b>S</b> for appropriate stem with figure in <b>debit</b> column followed by correct treatment in balance column;</p> <p><b>C</b> for correct figure against appropriate stem in <b>debit</b> column;</p> <p><b>C#</b> for the final balance figure including indicator, based on <b>three</b> entries correctly entered (and correctly treated) in the debit column (figures do not need to be correct).</p>							

(e)	The salary is a <b>distribution of profit to Gill</b> , which <b>increases the equity</b> she has in the business / salary is part of Gill's profit share and therefore increases (her) equity.	
	<p><b>Judgement</b> – award both <b>S</b> and <b>C</b>:</p> <ul style="list-style-type: none"> <li>just says distribution of profit or context (Gill).</li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>links it to increasing <b>equity</b>; must say equity, not capital.</li> </ul> <p><b>NOT</b> salary is income for Gill.</p>	<b>S* or S*C*</b>

(f)	Interest on capital 8% per annum on the opening balance.	
	<p><b>Judgement</b> – award both <b>S</b> and <b>C</b>:</p> <ul style="list-style-type: none"> <li>written as a clause with incorrect %</li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>written as a clause with correct %.</li> </ul>	<b>S* or S*C*</b>
(g)	\$10 000	<b>C</b>

**Overall Judgement for Partnerships for Question One (a)–(g)**

Achievement	Achievement with Merit	Achievement with Excellence
9 × <b>S</b> or 14 × <b>S plus C</b>	12 × <b>S plus 7 C</b> or 20 × <b>S plus C</b>	15 × <b>S plus 10 × C</b>

Question	Evidence				Code
<b>TWO</b> <b>(a)</b>	<b>Carpet World Ltd</b> <b>General Journal</b>				
	25/01/07	Contributed Equity	4 000		<b>S</b>
		Bank		4 000	<b>S</b>
	<b>S</b> for correct stem and correct figure in correct debit/ credit column				

<b>(b)</b>	<b>Carpet World Ltd</b> <b>General Journal</b>				
	02/04/07	Bank	144 000		<b>S</b>
		Contributed Equity		144 000	<b>S</b>
	<b>S</b> for correct stem and figure in correct debit/ credit column <b>C</b> for correct figure – must have both <b>S</b> 's				

<b>(c)</b>	The lino was revalued down to net realisable value as it was lower than cost, which creates the inventory write-down expense.  <b>Judgement</b> – award both <b>S</b> and <b>C</b> <ul style="list-style-type: none"> <li>• lino was revalued down creating the inventory write-down expense</li> </ul> <b>or</b> <ul style="list-style-type: none"> <li>• links the answer the idea of cost and net realisable value.</li> </ul>	<b>S*</b> <b>Or</b> <b>S* C*</b>
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<b>(d)</b>	<b>Carpet World Ltd</b> <b>General Journal</b>				
	30/06/07	Taxation expense	69 000		<b>S</b>
		Taxation Payable		69 000	<b>S</b>
	30/06/07	Taxation Payable	64 000		<b>S</b>
		Provisional Tax paid		64 000	<b>S</b>
<b>S</b> for correct stem and correct figure in correct debit/ credit column <b>C</b> for correct figure – must have both <b>S</b> 's					

<b>(e)</b>	<b>Retained Earnings</b>					
	01/07/06	Balance		320 000	Cr	
	30/06/07	Income summary*	161 000	481 000	Cr	<b>S</b>
		(Final) Dividend (2006)	80 000	401 000	Cr	<b>S C#</b>
	*Alternatives acceptable eg: (Net) Profit/NPAT/Performance summary/Income statement/Performance statement/(Net) Surplus/NSAT/Profit for the year (after tax) <b>S</b> for appropriate stem, correct figure, column and treatment <b>C#</b> \$401 000 Cr balance ONLY					

<b>(f)</b>	The company would have passed the solvency test, which means after the dividend is paid the company meets the balance sheet and liquidity requirements of the test.	
	<b>Judgement – award both S and C:</b> <ul style="list-style-type: none"> <li>• just says passes the solvency test</li> </ul> <b>or</b> <ul style="list-style-type: none"> <li>• links it to the idea of balance sheet and liquidity after the dividend is paid.</li> </ul>	<b>S*</b> <b>or</b> <b>S*C*</b>

**Overall Judgement for Companies for Question Two (a)–(f)**

Achievement	Achievement with Merit	Achievement with Excellence
$6 \times S$ Or $8 \times S \text{ plus } C$	$8 \times S \text{ plus } 2 \times C$ Or $11 \times S \text{ plus } C$	$9 \times S \text{ plus } 3 \times C$ Or $13 \times S \text{ plus } C$

**Overall Judgement Statement**

Achievement	Achievement with Merit	Achievement with Excellence
$2 \times A$	$2 \times M$	$2 \times E$