



South Australian
Certificate of Education

1

Accounting

November 2020 sample paper

Question booklet 1

Section 1 (Questions 1 to 3) 60 marks

- Answer **all** questions
- Write your answers in this question booklet
- Allow approximately 80 minutes

Examination information

Materials

- Question booklet 1
- Question booklet 2
- Information booklet
- SACE registration number label

Instructions

- Use black or blue pen
- You may use a sharp dark pencil for calculations
- Show appropriate working for calculations
- Approved calculators may be used

Total time: 130 minutes

Total marks: 100

The external assessment requirements of this subject are listed on page 9 of Question booklet 2.

© SACE Board of South Australia 2020

Attach your SACE registration number label here



Government
of South Australia

SACE
BOARD
OF SOUTH
AUSTRALIA

SECTION 1 (60 marks)

Question 1 (20 marks)

Refer to pages 4 and 5 of the information booklet when answering Question 1.

(a) Calculate the depreciation on office equipment. Show your working.

(3 marks)

(b) Record the required balance-day adjustments in the general journal below.

GENERAL JOURNAL

Date	Details	Debit	Credit
	<i>Recording advertising expense</i>		

(2 marks)

(c) Explain why Heather decided to create an allowance for doubtful debts of 10% of closing debtors.

(2 marks)

(d) Prepare the income statement for Vegan Values for the year ended 31 December 2018.

VEGAN VALUES
Income statement for year ended 31 December 2018

Revenue	
Cost of goods sold	
Gross profit	
Other revenue	
Expenses	
Selling	
Administrative	
Financial	
Profit/loss	

(9 marks)

This sample Accounting paper shows the format of the examination from November 2020.

(e) For each of the following concepts, use *one* example to explain how the concept has been applied in the income statement and/or trial balance for Vegan Values.

(i) Accrual accounting: _____

_____ (2 marks)

(ii) Consistency: _____

_____ (2 marks)

SAMPLE

Question 2 (20 marks)

Refer to page 7 of the information booklet when answering Question 2.

- (a) Complete and *formally balance* the debtors control account for Lew's Grocery at 31 December 2018.

Debtors control account

--	--

(5 marks)

- (b) (i) Calculate the debtors turnover for December.

(2 marks)

- (ii) Using the debtors ageing analysis and your answer to part (b)(i), comment on the debtors turnover in relation to the credit policy of the business.

(2 marks)

- (iii) Using the debtors ageing analysis and your answer to part (b)(i), make *one* recommendation to Lew's Grocery that will result in better control of debtors. Justify your recommendation.

(2 marks)

- (c) (i) Complete and *formally balance* the inventory control account for Lew's Grocery.

Inventory control account

1 Dec	Balance	15 500	
-------	---------	--------	--

(4 marks)

- (ii) State *one* way in which an inventory discrepancy may occur.

(1 mark)

- (d) During December, Lew ran out of time to do his personal grocery shopping, so he took some meat and vegetables from the store to the value of \$30 (cost price \$15), but did not record this.

- (i) State the ethical issue relating to this scenario.

(1 mark)

- (ii) How should Lew record this transaction?

(1 mark)

- (iii) Explain the impact of this scenario on the balance sheet of Lew's Grocery at 31 December 2018.

(2 marks)

Question 3 (20 marks)

Refer to page 8 of the information booklet when answering Question 3.

(a) Prepare the cash budget for October.

DUNKIN' GOOD
Cash budget for October 2019

	October
Estimated receipts	
Total estimated receipts	
Estimated payments	
Total estimated payments	
Surplus/deficit	
Opening bank balance	4 600
Closing bank balance	

(7 marks)

(b) Dunkin' Good is considering applying for a bank overdraft at the start of October in case the business has a problem with cash flow.

(i) Identify *two* factors that Marcus should consider when deciding whether to do this.

(2 marks)

(ii) The cost of the pop-up stall represents a large cash payment in October.

Suggest why Dunkin' Good might benefit from paying this amount, even if it creates a low or negative cash budget result.

(2 marks)

(c) In September, Dunkin' Good purchased 50 promotional basketballs for \$20 each to sell as part of a special event. At the end of the month, Marcus has 7 basketballs left and he decides to sell them for \$15 each.

(i) What amount should be recorded in the balance sheet on 30 September for the promotional basketballs?

(1 mark)

(ii) Which accounting concept requires the business to record this amount?

(1 mark)

(d) Explain why bank reconciliations are still necessary, despite recent innovations in banking and accounting.

(2 marks)

(e) Marcus is planning to expand his business by increasing the number of 2-day basketball training camps that he runs on weekends. In order to do this, he needs to hire a part-time coach, who will receive an annual salary of \$25 000. Marcus will also need to hire another basketball court, which will be an additional fixed cost of \$8000 per year. Each training camp provides attendees with merchandise that costs \$50 per person.

(i) If Marcus charges \$120 per person per training camp, how many attendees does he need in a year in order to break even?

(2 marks)

(ii) Currently the basketball training camps are limited to 10 students per camp.

Considering your answer to part (e)(i), what advice would you give Marcus about his plans to expand his business?

(3 marks)

