INSIGHT

Trial Exam Paper

2011

ACCOUNTING

Written examination 2

STUDENT NAME:

ANSWER BOOK

Reading time: 15 minutes

Writing time: 1 hour 30 minutes

Instructions

- A question book is provided with this answer book.
- All questions must be answered in the space provided.
- Write your **name** in the space provided above.
- Refer to the instructions on the front cover of the question book.

Students are NOT permitted to bring mobile phones or any other electronic devices into the examination.

Question 1 – Charlie's Model Trains

1.1.1

Calculation

Depreciation expense ____

2 marks

1.1.2

Display Equipment

Date 2011	Cross-reference	Amount $	Date 2011	Cross-reference	Amount $
1 Jan	Balance	50 000			

2 marks

Accumulated Depreciation - Display Equipment

Date 2011	Cross-reference	Amount $	Date 2011	Cross-reference	Amount $
			1 Jan	Balance	15 000

2 marks

Disposal of Display Equipment

Date 2011	Cross-reference	Amount $	Date 2011	Cross-reference	Amount $

2 marks

Question 1– continued

1.1.3

Reason 1
Reason 2

2 marks

1.1.4

Charlie's Model Trains
Balance Sheet (extract) at 31 March 2011

Non-Current Assets

2 marks

1.1.5

Explanation

2 marks

Question 1 – continued
TURN OVER

1.2.1

Explanation
Factor 1
Factor 2

4 marks

1.2.2

Explanation
Reason

3 marks

1.2.3

Explanation

2 marks

Question 1– continued

1.3.1

Stock Item: Eurostar 100						**Location:** Shelf 4C				
Date 2011	**Details**	**IN**			**OUT**			**BALANCE**		
		Qty	**Cost $**	**Total $**	**Qty**	**Cost $**	**Total $**	**Qty**	**Cost $**	**Total $**

5 marks

Question 1 – continued
TURN OVER

1.3.2

		General Ledger		Subsidiary Ledger	
Date	**Details**	**Debit $**	**Credit $**	**Debit $**	**Credit $**

4 marks

1.3.3 Complete in Stock card on previous page (question 1.3.1)

2 marks

Question 1– continued

1.3.4

		General Ledger		Subsidiary Ledger	
Date	**Details**	**Debit $**	**Credit $**	**Debit $**	**Credit $**

3 marks

1.3.5

Explanation
Principle

3 marks

Question 1 – continued
TURN OVER

1.4.1

Budgeted cost price	

1 mark

1.4.2

Explanation

4 marks

Total 45 marks

End of Question 1

Question 2 Freya's Furniture

2.1.1

Explanation

1 mark

2.1.2

Explanation

4 marks

2.1.3

State (please circle)	**Improved**	**Deteriorated**	**Stayed the same**
Explanation:			

5 marks

Question 2 – continued
TURN OVER

For the purposes of question 2.2 you are not required to consider GST.

Solution 2.2.1

FREYA'S FURNITURE Profit and Loss Variance Report (extract) for the month ended 30 July 2011				
	Budgeted	**Actual**	**$**	**U/F**
Revenue				
Cash Sales	7 700	8 500		
Credit Sales	2 500	2 800		
Less Sales Returns	(125)	(140)		
	10 075	**11 160**		
Less Cost of Sales	6 120	6 780		
GROSS PROFIT	**3 955**	**4 380**		
Less stock loss	300	800		
ADJUSTED GROSS PROFIT	**3 655**	**3 580**		

5 marks

2.2.2

Explanation

1 mark

2.2.3

Explanation

2 marks

Solution 2.2.4

Calculation

Debtors Control

Budgeted Receipts from Debtors

3 marks

2.2.5

Calculation

Stock Control

Creditors Control

Budgeted Payments to Creditors

8 marks

Question 2 – continued
TURN OVER

2.2.6

Freya’s Furniture

Budgeted Cash Flow Statement for month ending 31 August 2011

	$	**$**
OPERATING ACTIVITIES		
Cash inflows		
Less Cash outflows		
Net Cash from Operating Activities		

8 marks

2.2.7

Explanation

1 mark

Question 2– continued

2.3.1

General Journal

		General Ledger		Subsidiary Ledger	
Date	**Details**	**Debit $**	**Credit $**	**Debit $**	**Credit $**

4 marks

2.3.2

Explanation
Qualitative characteristic

3 marks

Total 45 marks

END OF ANSWER BOOK