VCE Accounting Unit 4: Nano Exam 7. Marks = 34. Time = 34 minutes.

J. Dinh manages **Slipper Baths**, a business that trades in old world bathtubs for cash and on credit. The business uses control accounts, the perpetual stock system using the FIFO method of cost assignment and the accrual accounting system.

The following information is provided at 30/11/33:

Presentation Screen					
Date	Cross-Ref.	$	Date	Cross-Ref.	$
30/11	Balance	1800			

Accum. Depreciation Presentation Screen					
Date	Cross-Ref.	$	Date	Cross-Ref.	$
			30/11	Balance	1700

On 30/11/33 the business traded-in its old presentation screen (for the Board Room) for a new one as evidenced by these documents.

Ace Displays Invoice #166	
Date:	30/11/33
To:	Slipper Baths
For:	Presentation Screen. $3200 + $320 GST. Less allowance on old screen $500.
$:	$3020.00
Terms 60 days	

Chippies Invoice #C87	
Date:	30/11/33
To:	Slipper Baths
For:	Installation of presentation screen including $60 GST
$:	$660.00
Terms 30 days	

1.1 Record the appropriate journal entries for the disposal and purchase of the presentation screens. No narrations.

8 marks

General Journal (GJ) extract					
2033		General Ledger		Subsidiary Ledger	
Date	Details	Dr. $	Cr. $	Dr. $	Cr. $

1.2 Show how the following ledger account for appear for November 2033. **Balance**.

4 marks

Presentation Screen					
Date	Cross-Reference	$	Date	Cross-Reference	$
30/11	Balance	1800			

1.3 Define the **cost** of a non current asset giving examples.

3 marks

1.4 Explain how you would classify the Disposal of Presentation Screen ledger account?

1 mark

The business decided to trade-in its forklift on a new one on 31/3/20. At the time of the transaction, evidenced by the following documents, the old forklift had a carrying-value of $2800. The historical cost of the old forklift was $30000.

High Forklifts Invoice #L98	
Date:	31/3/20
To:	Slipper Baths
For:	Forklift $50000 + $5000 GST. Less trade-in allow. ($6000) Less deposit paid ($5000)
$:	$44000.00
Terms 30 days	

Bendigo Bank	
Date:	31/3/20
To:	High Forklifts
For:	Deposit on new forklift
$:	5000.00
Cheque # 009876	

1.5 Calculate any profit or loss on the disposal of the forklift.

2 marks

1.6 Explain the reason for the profit or loss on disposal of the old forklift.

3 marks

1.7 Complete the following two ledger accounts. **Balance/close**. Post at end of month.

6 marks

Disposal of Forklift

Date	Cross-Reference	$	Date	Cross-Reference	$

Sundry Creditor: High Forklifts

Date	Cross-Reference	$	Date	Cross-Reference	$

1.8 Explain how cheque # 009876 would be reported in the Cash Flow Statement for March 2020.

2 marks

1.9 Distinguish between a sundry creditor and a trade creditor.

2 marks

1.10 Explain how the disposal and purchase of the forklifts would impact on assets.

3 marks