

Question 1

11 marks

a. Complete the Inventory Card for the Superfast PC's for December 2019.

Product: Superfast PC		Cost Assignment Method: FIFO								
Date	Details	IN			OUT			BALANCE		
2019										
December		Qty	Cost	Total	Qty	Cost	Total	Qty	Cost	Total
31	Balance							10	400	
								2	420	4 840

4 marks

b. Prepare the General Journal entries required on 31 December 2019
(Narrations are not required)

General Journal

Date 2019	Details	General Ledger	
		Debit	Credit

4 marks

ACCOUNTING EXAM

c. Explain, referring to a qualitative characteristic, how you treated the 3 Superfast PC's

3 marks

Question 3

6 marks

Explain the transaction that may have occurred for each of the entries labelled (a), (b), (c), (d), (e) and (f) above.

(a)
(b)
(c)
(d)
(e)
(f)

Question 4

11 marks

- a. The General Journal entry is incomplete. Complete the General Journal Entry on 20 September 2019

General Journal (incomplete)

		General Ledger	
		Debit	Credit
Date	Details		
20/9			
	Accounts Payable	1100	
	(Return of inventory that had deteriorated in transit – CrN 99)		

2 marks

- b. Prepare an accounts payable schedule as at 30 September 2019

**Fresh Fruit World
Accounts Payable Schedule as at 30 September 2019**

4 marks

ACCOUNTING EXAM

c. Explain how the transaction 10 September 2019 impacts on the accounting equation.

3 marks

d. Explain why the Inventory does not include GST when posted to the General Ledger.

2 marks

ACCOUNTING EXAM

c. Referring to a qualitative characteristic explain why Inventory Write Down is separated in the Income Statement.

3 marks

d. Referring to an accounting assumption, explain why the Income Statement is prepared “for the period ended 31 March 2019.

3 marks

Question 7

10 marks

- a. Reconstruct the necessary ledger accounts to determine the estimated
 - Cash collected from accounts receivable
 - Cash paid to accounts payable

Accounts Receivable

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

Accounts Payable

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

Inventory

Date 2019	Cross-reference	Amount	Date 2019	Cross-reference	Amount

8 marks

b. Explain why a business would prepare a variance report on a monthly basis.

2 marks

Question 8

5 marks

a. Explain the depreciation methods in the chart and justify the method that you prefer.

3 marks

b. The owner is concerned that the last computer was sold for less than it cost and the accountant reported a profit on sale of the computer. Explain how this is possible.

3 marks

END OF ANSWER BOOK