VCE Accounting Unit 4: Nano Exam 12. Marks = 28 Time = 28 minutes.

Nhu manages **Dish Wish**, a business that trades in satellite dishes 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.

Dish Wish is about to release a new HiTech satellite dish which will allow Australians to access American TV for free. The new dish, FreeTV, will sell for $2200 including $200 GST. Some customers have already prepaid for the new dish as follows:

3/6/38, received $2200 inc. GST, from K. Vo, receipt #133 (1 unit FreeTV)
4/6/38, received $4400 inc. GST, from J. Tran, receipt #145 (2 units FreeTV)
5/6/38, received $2200 inc GST, from S. Ranzil, receipt #156 (1 unit FreeTV)

1.1 Record the above transactions in the following Cash Receipts Journal (extract):

2 marks

Cash Receipts Journal (CRJ) extract								
Date 2038	Details	Doc.	Bank	Cost of sales		Sales	Sundry	GST

1.2 Explain how receipt #133 impacts on the accounting equation:

3 marks

Assets	Liabilities	Owners Equity

On 15/6/38, **Dish Wish** received a shipment of 20 FreeTV Dishes, invoice #889, from International Systems, $24200 including GST. On 16/6 received invoice #T33 from Ace Insurances for transit insurance of the 20 dishes, $330 including GST.

1.3 Record this information in the stock card and journals.

4 marks

STOCK CARD: FreeTV satellite dish. FIFO											
2038		IN			OUT			BALANCE			
Date	Details	QTY.	COST	VALUE	QTY.	COST	VALUE	QTY.	COST	VALUE	

Purchases Journal (PJ) extract					
Date 2038	Details	Doc.	Stock	GST	Total

On 20/6/38 supplied the FreeTV dishes to the customers who had prepaid. Memo #22.
On 22/6/38 sold 2 FreeTV dishes for cash, receipt #212.

1.4 Record these transactions in the relevant records. No narrations.   4 marks

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

1.5 Complete the following ledger accounts for June 2038. Do not balance/close.

4 marks

Prepaid Sales

Date	Cross-Reference	$	Date	Cross-Reference	$

Stock Control

Date	Cross-Reference	$	Date	Cross-Reference	$
1/6/38	Balance	70000			

1.6 Consider memo #22. **Explain** the impact of this transaction on profit determination.

3 marks

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STOCK CARD: Foxtel Dishes   FIFO

2038		IN			OUT			BALANCE		
Date	Details	QTY.	COST	VALUE	QTY.	COST	VALUE	QTY.	COST	VALUE
1/11	Balance							3	1000	3000
								6	1200	7200
21/11	Inv. 334				3	1000	3000			
					1	1200	1200	5	1200	6000

The following transactions have not been recorded:

- 26/11/38, a customer, **Dandy Dishes**, returned 2 faulty Foxtel Dishes, credit note #66, $6600 including GST.
- 30/11/38, decide to clear out the Foxtel Dishes. Plan: sell them for $990 each including GST and hire a spruiker to assist the marketing, $350. Memo #91.

1.7 Record the above transactions in the stock card and the General Journal.

4 marks

General Journal (GJ) extract

		General Ledger		Subsidiary Ledger	
Date	Details	Dr. $	Cr. $	Dr. $	Cr. $

1.8 Prepare an Income Statement for the Foxtel Dishes only for November 2038 to gross or adjusted gross profit. The selling price remained constant during November.

4 marks

Income Statement: Foxtel Dishes only: Nov. 2038		
Revenue	$	$