VCE Accounting Unit 4: Nano Exam 2. Marks = 32. Time = 32 minutes.

Taarika manages **OfficeWorks**, a business that trades in office materials 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.

Just Furniture Credit Note #14	
Date:	20/1/30
To:	OfficeWorks
For:	Return of 3 damaged chairs at $880 each including $80 GST.
$:	$2640.00
Sorry for any inconvenience	

1.1 Refer to credit note #14. **Who** is returning stock to whom?

1 mark

_____

1.2 Explain what would have happened before the credit note was issued by **Just Furniture**.

1 mark

_____
_____

1.3 Show the impact of credit note #14 on **OfficeWork's** accounting equation.

3 marks

Assets	Liabilities	Owners Equity

1.4 Describe what type of transaction credit note #14 is for **Just Furniture** and **indicate** which journal would be used by **Just Furniture** to record this transaction.

2 marks

_____
_____

1.5 Record credit note #14 in the following stock card extract of **OfficeWorks**.

2 marks

STOCK CARD: Chairs (extract)											
2030		**IN**			**OUT**			**BALANCE**			
Date	Details	QTY.	COST	VALUE	QTY.	COST	VALUE	QTY.	COST	VALUE
20/1	Balance							12	800	9600

1.6 Explain the impact of FIFO on credit note #14 for **OfficeWorks**.

2 marks

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_____

1.7 Record credit note #14 in the General Journal of **OfficeWorks**.

3 marks

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

1.8 **Explain** the impact of credit note #14 on **OfficeWork's** profit determination.

2 marks

_____
_____

1.9 Assuming **Just Furniture** has a mark-up of 200%, **calculate** the profit impact of credit note #14 for **Just Furniture**.

2 marks

_____
_____

1.10 The manager of **Just Furniture** is certain the stock (chairs) arrived at **Just Furniture** in good condition. **Suggest** possible reasons for the damage to the chairs.

3 marks

_____
_____
_____
_____

1.11 **Record** the following transactions in the ledger of **OfficeWorks**. **Balance** at 31/1/30.

4 marks

5/1, received invoice #677 from **Just Furniture**, $3300 including $300 GST.
10/1, paid **Just Furniture** $3200 cash, discount $100, cheque #887.
14/1, credit purchase from **Just Furniture**, $6820 including $620 GST, invoice #695.
20/1, credit note #14 (see previous page).

Just Furniture					
Date	Cross–Reference	$	Date	Cross–Reference	$
			1/1/30	Balance	950

1.12 Using the data from 1.11, **complete** the following Statement. Use 1 line per transaction.

3 marks

Just Furniture Statement for OfficeWorks at 31/1/30			
Date	Details	Amount	Balance
1/1/30	Balance		

Consider the following ledger account.

GST Clearing					
Date	Cross–Reference	$	Date	Cross–Reference	$
1/7/30	Balance	700	31/7/30	Bank	700
31/7	Bank	1700		Bank	2800
	Creditors control (1)	2600		Debtors control (3)	4500
	Debtors control (2)	500		Creditors control (4)	300

1.13 Briefly **explain** the following numbered transactions:

4 marks

(1) _____
(2) _____
(3) _____
(4) _____