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

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

8 marks

	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						
	Installation of						
For:	presentation screen						
	including \$60 GST						
\$:	\$660.00						
Terms 30 days							

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	Defi	ne the cost	of a non curre	ent asset giv	ing exa	mples.			3 marks
1.4	Expl	ain how you	would classi	fy the Dispo	osal of P	resentatio	n Screen l	edger 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

В	endigo Bank
Date:	31/3/20
To:	High Forklifts
	Deposit on new forklift
\$:	5000.00
Ch	eque # 009876

5 E	Explain 1	the reason for the prof	it or loss or	n disposal o	f the old forklift.	3 ma
• (Complet	e the following two led	lger accoun	ts. Balanc e	e/close. Post at end of	month. 6 ma
			Disposa	ıl of Forklift		
	Date	Cross-Reference	\$	Date	Cross-Reference	\$
		Si	andry Credit	tor: High Fo	orklifts	
	Date	Cross-Reference	\$	Date	Cross-Reference	\$
1 20.		how cheque # 009876	would be r	eported in t	he Cash Flow Statemen	t for March 2 ma
I	Distingu	ish between a sundry	creditor an	d a trade cr	reditor.	0
						2 ma
0	Explain	how the disposal and	l purchase	of the forkli	fts would impact on ass	ets. 3 ma