



Student Name: \_\_\_\_\_

## ACCOUNTING Unit 4 2023 Outcome 1 SAC

Recording and analysing financial data

### QUESTION BOOK

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
3	3	60

- Students are permitted to bring into the assessment task: pens, pencils, highlighters, erasers, sharpeners, rulers and one scientific calculator.
- Students are NOT permitted to use blank sheets of paper and/or white out liquid/tape.

#### Materials supplied

- Question book of 5 pages.
- Answer book of 7 pages.

#### Instructions

- Answer all questions in the Answer book.
- All written responses must be in English.

#### At the end of the task

- Write your name on both booklets, remain seated until papers are collected.

**Question 1** (25 marks)

Online Beauty is an online business that sells a range of beauty products and to encourage sales offers free delivery to customers. The business owns two Delivery Van which are depreciated using the straight-line method. The business reports on a quarterly basis.

An extract from the Balance Sheet as at 30 June 2023 is as follows:

<b>Non-Current Assets</b>	<b>\$</b>
Delivery Vans	56 400
Less Accumulated Depreciation	<u>28 050</u>
	<u>28 350</u>

Online Beauty decided to trade in one of the Delivery Vans for a newer model on 31 August 2023 for a trade-in value of \$12 000. A loan from JD Bank was taken out on 31 July 2023 to finance the new Delivery Van. Details related to the trade-in and purchase are shown below:

Asset	Purchase Date	Purchase Price	Residual Value	Useful Life
Delivery Van (sold)	1 October 2021	\$36 200 plus GST	\$2 000	3 years
Delivery Van (existing)	1 January 2022	\$20 200 plus GST	\$4 000	3 years
Delivery Van (new)	31 August 2023	\$37 500 plus GST	\$7 500	5 years

The purchase from Toyota Motors included price, \$40 700 including GST, the annual registration \$800 plus GST and the installation of shelving at a cost of \$550 including GST. (Che. No.0099)

<p><b>JD Bank</b> 31 August 2023</p> <p>To: <i>Toyota Motors</i> For: Delivery Van</p> <p>This cheque: <input type="text"/></p> <p>Balance</p> <p>Cheque No. 0099</p>
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- a. **Determine** in the amount that would have been paid to Toyota Motors on 31 August. 1 mark
- b. **Explain** your treatment of the annual registration in determining the cost of the new Delivery Van. 2 marks
- c. **Show** how the following General Ledger accounts would appear on 31 August 2023 after the General Journal entries relating to the trade-in and the purchase of the Delivery Van have been posted:
- Delivery Vans
  - Accumulated Depreciation – Delivery Vans
  - Disposal of Delivery Van

You **are not** required to balance the accounts.

9 marks

- d. **Explain** why a profit/loss on the disposal of the Delivery Van occurred. 2 marks
- e. **Prepare** the Balance Sheet (extract) as at 30 September 2023. 3 marks

Online Beauty's accountant has suggested that the straight-line method of depreciation is not the best method for the Delivery Vans.

- f. **Distinguish** between the Straight-Line depreciation method and the Reducing Balance depreciation method. 4 marks
- g. Referring to two qualitative characteristics, **discuss** why the depreciation method should not be changed during the life of the Asset. 4 marks