

考试大纲

针对选择题：

重复去做，看你们的 Quiz，以及多看课件上有关定义的内容。

(具体可以看我给的笔记。**注意：我的笔记并不代表覆盖了所有会考的内容，笔记涵盖的内容只是可能的重点，建议还是得看看课件)**

Case Study

1. Financial Statement

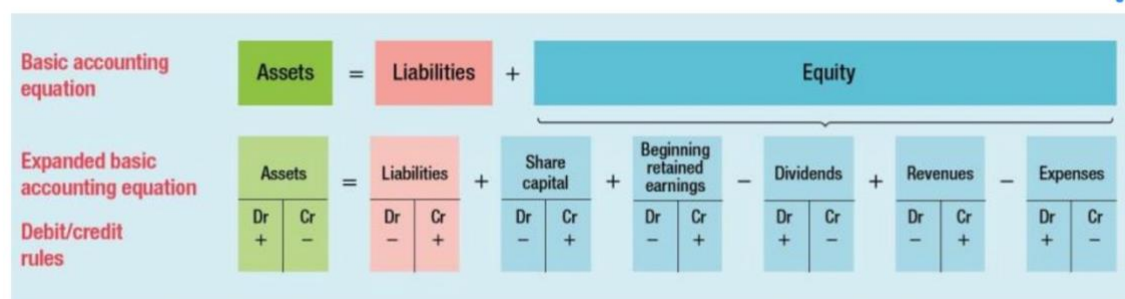
- Format and relationship of the financial statements
 - Statement of Profit or Loss (Income Statement)
 - 报告某一特定时期减去费用之后的收入
 - 主要目的是验证该公司的表现相对来说是成功的还是失败的
 - 能够让市场参与者清楚的看到该公司的收入以及支出
 - 利润= Revenue/income - expenses
 - Statement of Changes in Equity
 - 报告在特定期间的综合收入总额和其它权益(Equity)变动，如因会计准则的变化(Accounting Standards)，会计政策的改变(Changes in accounting policies)，更正的错误(Correction of errors)，以及直接与权益户口发生的利润(Gains recognised directly in equity accounts)而对 Retained Earning 做出调整
 - Retained earnings:未分配给股东的累积利润
 - Statement of Financial Position (Balance Sheet)
 - Basic accounting equation (ASSETS = LIABILITIES + EQUITY)
 - 资产必须等于债务与权益的总和
 - Statement of Cash Flows
 - 必须知道包含 (Operating activities, Investing activities, Financing activities)
 - 主要是为了提供有关实体 Cash receipts and cash payment 的相关财务信息在特定的时间
 - 且重点记住! Cash Flow 是展示公司的**现金**活动!
- 财务报表是相互关联的
 - 财务状况表通过 statement of profit or loss 以及 statement of changes in equity by **ending retained earnings balance** 相关联
 - 现金流量表通过期末现金余额与财务状况表相关联

- 财务状况分类报表
 - 财务状况报表可以分类，以提高用户的理解。
 - 分类意味着将相似的资产和负债组合在一起。
 - 大多数实体使用流动和非流动类别来分类资产和负债。
- Current & Non-current
 - Current assets: 一般来说，为交易目的而持有或预计在**一年内**转换为现金或用于业务的现金资产
 - Non-current assets: 资产会计划在**一年后**才出售或者使用
 - Current liabilities: **一年内**必须要执行的义务或偿还的债务
 - Non-current liabilities: 不是现有义务，或者**一年后**才要执行的义务或偿还的债务
- 建议自己看看课件 p40-41

Balance sheet elements (Conceptual Framework p49)	
Assets <ul style="list-style-type: none"> • Future economic benefits • Controlled • Result of past events 	Liability <ul style="list-style-type: none"> • Present obligation • Arising from past events • Outflow of resources Equity <ul style="list-style-type: none"> • Residual interest in the assets after deducting all its liabilities
Profit or loss elements (Conceptual Framework p70)	
Expense <ul style="list-style-type: none"> • Decrease of assets or increase of liabilities • Results in a decreases in equity • Not distributions to owners 	Income <ul style="list-style-type: none"> • Increase of assets or decreases of liabilities • Results in an increases in equity • Not contributions from owners

2. Accounting Cycle

- Normal balance



- 必须清楚方向
- 一些特殊的交易/事项

- Prepaid (Assets), Revenue received in advance (Liability)
- 一旦在题目看到 **Invoice** 的字眼就要知道，一定会跟 **Accounting Receivable** 和 **Sale Revenue** 有关
- 一定要知道 income 的 definition, income 的确认是当服务或者货物已经完全交到客户手上，才能当作为 income

Revenue received in advance 例子

- 就好比说订阅杂志，A 先生在 1 月 1 日向 B 公司在支付了一年的订阅费，其订阅的内容是每个月一本杂志。对于 B 公司来说，我提前收到了这笔钱，那在接下来的一年里我有义务向 A 先生每个月提供一本杂志，所以对于 B 公司来说，这笔钱是一笔债务，而不是收入，直到所有杂志都送到客户手上才能完全被人作为收入。当然，中途也可部分认作为收入，比如说 B 公司已经向 A 先生提供了 3 个月的杂志，那么这已提供的杂志费用就能当作为收入。
- T 表
 - 首先要知道不同 Account 之间的方向，再判断是什么导致变化，比如我们 Dr cash, Cr share capital, 那么很明显，现金的上涨是因为 share capital 的增加，所以在 T 表内，因为现金是增加的，所以我们知道要记录在 Dr side, 接下来我们就判断，是因为 share capital 的增加而导致 cash 的增加，所以就要在左边记录 share capital，以此类推。
- 例题

Tutorial question (Week 2, Q3,4, Week 3 Q2,3)

3. **Inventory**

清楚知道 Expense 一半包含(Cost of sales 和 Operating expenses)

- Profit = Gross Profit – Operating expenses, Gross profit = Sales revenue – Cost of sales
- **The differences between perpetual and periodic system**
 - Example question, for perpetual system (Tutorial 4, Q1,3,8) for periodic system (Tutorial 4, Q7)
 - Perpetual system:完整的存货系统，成本清楚知道，清楚记录库存数量
 - Periodic system: 没有详细完整的记录存货系统，销售成本只在会计期末以实物盘存帐户计算，就是以最后剩的数量计算 cost of sales 详情看例题
 - **Perpetual system** 当货物卖出的时候实时计算，记录 cost of sales, **periodic system** 在最后结算的日期才计算 Cost of Sales. (Cost of sales is not recorded at date of sale, and quantity on hand and cost of sales are determined by physical inventory count at the end of the period)
 - Perpetual systems are required to record the sales of goods, and cost of sales
 - Key difference between periodic and perpetual inventory systems is the point at which the cost of sales is calculated

- Freight cost is cost of sales to buyer, and operating expense to the seller, for buyer, the name is Freight-in, for the seller is Freight-out.
- 搞清楚 Purchase return 以及 Purchase allowance
- 看清楚有时候题目会写 2/7, n/30, 这意味着 7 天内还钱会有 2% 的折扣, 30 天内要还钱, 看到这种题型也要知道, 跟 Account Payable 有关系 (涉及 discount, settlement discounts)
 - 如果你是买家, 一般会收到 discount, 当收到 discount, Entry 的记录应该是 **Dr Account Payable, Cr Cash, Cr, Discount received**, 因为在 7 天内还钱, 会有 2% 的折扣, 还钱意味着现金减少, Account Payable 的账户减少, 而 Discount received 可以当作为 income, 这是因为你节省了这部分钱。
 - 如果你是卖家, 一般为了督促你的买家尽快付清, 你会给出折扣, 所以当给出折扣的时候, Entry 的记录应该是 **Dr Cash, Dr Discount allowed, Cr Account Receivable**, 因为 7 天之内还钱, 你会给他折扣, 意味着你收到现金 decrease, Account receivable 减少, discount allowed 当作收入, 给了折扣, 对于自己的收入减少了, 所以 Dr Discount allowed。
- Statement of profit and loss under different inventory system
 - Perpetual System 需注意如下
 分清楚以下 Expense, Selling Expense 指销售成本, 运费, 广告, Administration expenses 指运作公司时产生的费用, 工资或者租金之类, Financial expenses, 融资成本, 借钱成本, 例如利息, 或者折扣让利。

(b) ACM Ltd.Ltd Statement of Profit or Loss for the year ended 30 June 2017			
<hr/>			
OPERATING REVENUE			
Sales revenue:			
	Gross sales revenue	86,100	
Less:	Sales returns and allowances	<u>(700)</u>	
	Net sales revenue		85,400
Less:	Cost of sales	58,730	
	Freight inwards	<u>1,750</u>	<u>(60,480)</u>
GROSS PROFIT			\$24,920
EXPENSES			
	Freight Outwards	1,900	
	Other Expenses	<u>13,000</u>	<u>14,900</u>
NET PROFIT			<u>10,020</u>
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- **Periodic system** 会提供更详细的数据

More detail is required in the periodic system.

PW AUDIO SUPPLY LTD Statement of profit or loss for the year ended 30 June 2017			
Sales revenue			
Gross sales revenue		\$	480 000
Less: Sales returns and allowances			(20 000)
Net sales			<u>460 000</u>
Cost of sales			
Inventory, 1 July 2016		\$	36 000
Purchases	\$325 000		
Less: Purchase returns and allowances	(17 200)		
Net purchases	<u>307 800</u>		
Add: Freight-in	<u>12 200</u>		
Cost of goods purchased			<u>320 000</u>
Cost of goods available for sale			<u>356 000</u>
Inventory, 30 June 2017			<u>40 000</u>
Cost of sales			<u>(316 000)</u>
Gross profit			144 000
Other operating revenue			24 000
			<u>168 000</u>
Operating expenses			<u>(125 000)</u>
Profit before income tax			43 000
Less: Income tax expense			(12 900)
Profit after income tax		\$	<u><u>30 100</u></u>

- 当购买 Inventory 的时候, difference inventory system will have difference method to record, for perpetual system, will record Dr Inventory, for periodic system will record Dr purchase. 且 Perpetual system 会记录 cost of sales 当发生销售的时候。其余基本一样。
- Perpetual Inventory system vs Periodic inventory system

ENTRIES IN SAUK STEREO'S RECORDS (PURCHASER)					
Transaction		Perpetual inventory system		Periodic inventory system	
May 5	Purchase of inventory on credit.	Inventory	3 800	Purchases	3 800
		Accounts payable	3 800	Accounts payable	3 800
May 5	Freight costs on purchases.	Freight-in/Inventory	150	Freight-in	150
		Cash	150	Cash	150
May 8	Purchases returns and allowances.	Accounts payable	300	Accounts payable	300
		Inventory	300	Purchase returns and allowances	300
May 12	Payment on account with a discount.	Accounts payable	3 500	Accounts payable	3 500
		Cash	3 430	Cash	3 430
		Discount received	70	Discount received	70

ENTRIES IN PW AUDIO SUPPLY LTD'S RECORDS (SELLER)							
Transaction			Perpetual inventory system		Periodic inventory system		
May 5	Sale of inventory on credit.	Accounts receivable	3 800		Accounts receivable	3 800	
		Sales		3 800	Sales		3 800
		Cost of sales	2 400		No entry for cost of sales		
		Inventory		2 400			
May 8	Return of inventory sold.	Sales returns and allowances			Sales returns and allowances		
			300			300	
		Accounts receivable		300	Accounts receivable		300
		Inventory	140		No entry for cost of sales		
		Cost of sales		140			
May 12	Cash received on account with a discount.	Cash	3 430		Cash	3 430	
		Discount allowed	70		Discount allowed		70
		Accounts receivable		3 500	Accounts receivable		3 500

- Cost flow assumption
 - FIFO
 - LIFO
 - Average cost

- Statement of profit or loss effects:
 - In periods of increasing prices:
 - FIFO reports the highest profit.
 - LIFO the lowest.
 - Average cost falls in the middle.
 - In periods of decreasing prices:
 - FIFO will report the lowest profit.
 - LIFO the highest.
 - Average cost falls in the middle.

- Statement of financial position effects:
 - In a period of increasing prices, costs allocated to ending inventory using:
 - FIFO will approximate current costs.
 - LIFO will be understated.
- Taxation effects:
 - In times of rising prices, LIFO will give lower profit and therefore lower taxes.
 - But, LIFO is not allowed in Australia or New Zealand.
- GST
 - 记住澳洲的税率是 10%
 - 看题目的时候要看清楚是 **GST inclusive** 还是 **GST exclusive**, 如果是 GST inclusive 就意味着价格是包含税的, 要单独把价格算出来, 例如 the price of table is \$440 (GST inclusive), 那么 table 的价格就等于 $\$440/1.1$, \$400, 那么也就意味税是\$40. 如果是(GST exclusive) 税的价格就等于物品价格*10%。
 - 买东西的时候会发生 **Dr GST paid** (GST paid 意味着买的东西将来有可能可以和未来要给的税抵消, 所以为什么 Dr, 是一个 assets), 卖东西的时候会发生 **Cr GST collect** (GST collect 是因为税是代税务局收的, 最终还是上交给税务局的, 就等于卖的时候就欠税务局钱, 所以为什么 Cr GST collect, 因为 GST collect 是债务).
 - 当 **Purchasing inventory, remember**
Dr Inventory, Dr GST paid, Cr Account payable
 - 当 **Purchase returns**
Dr Accounts payable, Cr Inventory, Cr GST paid
 - 当卖东西的时候
Dr Account receivable, Cr GST collected, Cr Sales, and Dr Cost of sales, Cr Inventory
 - 当 **sales returns and allowances occurs**
Dr Sales returns and allowance, Dr GST collected, Cr Account receivables and Dr Inventory, Cr Cost of sales
 - 如果有折扣发生, 也一样, 在原先的 entry 上加入 Discount allowed/Discount received
- 如果 GST paid 和 GST collect 的账目有差异, 比如 GST Collected less than GST paid, 中间的差额将由税务局退还, 发生 entry 将是 Dr GST collected, Dr Cash,

Credit GST paid, 如果 GST collected greater than GST paid, 那么就需要补给税务局, Entry 将会是 Dr GST collected, Cr GST paid, Cr Cash. Cash 就是他们的差额

Perpetual inventory system, 看清楚, 遇到实在不会做就这样套

- **Perpetual inventory method:**
 - Statement of profit or loss extract:

Statement of profit or loss (extract) Perpetual inventory method	
Sales revenue	\$85 000
Less: Sales returns and allowances	5 000
Net sales revenue	80 000
Less: Cost of sales	57 600
Gross profit	\$22 400

- Perpetual inventory method - entries to close accounts at end of period.

Dr Sales revenue	85 000	
Cr Profit or loss summary		85 000
(To close various credit accounts — sales revenue — to the profit or loss summary account)		
Dr Profit or loss summary	62 600	
Cr Cost of sales		57 600
Cr Sales returns and allowances		5 000
(To close various debit accounts — cost of sales and sales returns & allowances — to the profit or loss summary)		

- Perpetual inventory method – profit or loss summary account.

Profit or loss summary	
Closing entry (various debit accounts)	62 600
Closing entry (various credit accounts)	85 000
Balance = 22 400 (Gross profit)	

Periodic inventory system, 看清楚，遇到实在不会做就这样套

- **Periodic inventory method:**
 - Statement of profit or loss extract:

Statement of profit or loss (extract) Periodic inventory method			
Sales revenue			\$85 000
Less: Sales returns and allowances			<u>5 000</u>
Net sales revenue			80 000
Cost of sales:			
Cost of beginning inventory		14 000	
Add: Cost of purchases	60 000		
Freight-in	<u>600</u>		
	60 600		
Less: Purchases returns and allowances	1 000		
Cost of net purchases		<u>59 600</u>	
Cost of goods available for sale		<u>73 600</u>	
Less: Cost of ending inventory		<u>16 000</u>	
Cost of sales			<u>57 600</u>
Gross profit			<u>\$22 400</u>

- Periodic inventory method - entries to close accounts at end of period:

Dr Profit or loss summary	79 600	
Cr Beginning inventory		14 000
Cr Sales returns and allowances		5 000
Cr Purchases		60 000
Cr Freight-in		600
(To close various debit accounts to the profit or loss summary)		

Dr Ending inventory	16 000	
Dr Sales	85 000	
Dr Purchase returns and allowances	1 000	
Cr Profit or loss summary		102 000
(To close various credit accounts to the profit or loss summary)		

- Periodic inventory method – profit or loss summary.

Profit or loss summary			
Closing entry (various debit accounts)	79 600	Closing entry (various credit accounts)	102 000
Balance = 22 400 (Gross profit)			

4. Cash & receivables

- Bank reconciliation statement (Tutorial 6 Question 2 & 3)
 - o PPT 11 页, Bank reconciliation 的好处以及用处
 - o 详细做题方法可以参照 PPT p15-17
 - o **Outstanding deposit increase the bank account**
 - o **Unpresented cheques decrease the bank account**
 - o **Dishonoured cheque and bank charges should not be in the bank reconciliation**
- Bad Debt Expense

Direct Method

- o 坏账费用在确定坏账收回账户并核销时确认
- o 应收款项按总额列报
- o Dr Bad debts expense, Cr Accounts receivable

Allowance method for uncollectable accounts / Net credit sale methods

- o 应收账款报告在他们的 NRV
- o Receivables reduced by estimated uncollectable receivables
- o 如果是 **Estimated uncollectable**, Dr Bad debts expense, Cr Allowance for Doubtful Debts, 如果是 **Actual uncollectable**, Dr Allowance for Doubtful Debts, Cr Accounts Receivable.
- o 当发生 **Recovery of an uncollectable account**, two entry require, 1, Dr Account receivable, Cr Allowance for doubtful debts, 2, Dr Cash, Cr Accounts receivables

• Ageing of accounts receivable:

Customer	Total	Not yet due	Number of days past due			
			1-30	31-60	61-90	Over 90
T.E. Adert	\$ 60 000		\$30 000	\$24 000		\$ 6 000
R.C. Bortz	20 000	\$20 000				
B.A. Carl	45 000		22 500	22 500		
O.L. Diker	55 000				\$33 000	22 000
T.O. Ebbet	43 000	43 000				
R.A. Ware	12 000	6 000	6 000			
	<u>\$235 000</u>	<u>\$69 000</u>	<u>\$58 500</u>	<u>\$46 500</u>	<u>\$33 000</u>	<u>\$28 000</u>
Estimated percentage uncollectable		2%	4%	10%	20%	40%
Total estimated bad debts	<u>\$ 26 170</u>	<u>\$ 1 380</u>	<u>\$ 2 340</u>	<u>\$ 4 650</u>	<u>\$ 6 600</u>	<u>\$11 200</u>

参照 Tutorial Question

额外看看这个点

- A bad debt write-off affects the GST liability:
 - When the account was originally recorded a GST liability was recognised.
 - As the account is unpaid the GST liability must be reduced.

Feb.	2	Allowance for doubtful debts	2 000	
		GST collected	200	
		Accounts receivable (subsidiary ledger also credited)		2 200
		(To record the debt being written off in accordance with the manager's decision)		

- Analysing and managing receivables

参考 PPT39-43

5. Non-current assets

- PP&E, Property (including land and building), plant and equipment (includes cash registers, computers, office furniture, factory machinery, motor vehicles)
- The cost of assets, 包含市场价, 以及一切有关买资产的相关费用, 比如买入价, 运费, 安装费等等。
 - Cost of land includes:
Purchase price, settlement costs, stamp duty, and accrued property taxes assumed by purchaser (ppt 11)
 - Cost of plant and equipment includes:
Purchase price, freight charges, insurance during transit, and installation costs (ppt13)
- Carrying amount = cost – accumulated depreciation, 账面价值
- 当做 depreciation 的时候必须考虑, 看题, 他的成本 cost, 使用寿命 useful life 以及残值 residual value
- Depreciation methods
Dr Depreciation expense, Cr Accumulated depreciation
 - Straight-line methods, = (Cost of asset – residual value) / useful life of asset
 - Diminishing-balance method, $= 1 - \sqrt[n]{\frac{r}{c}}$
 - Units-of-production method, = (depreciation cost of asset / useful life of the asset) x yearly units of production
- Revaluation

Revaluation

- To record the revaluation journal entries:
 - a. Record depreciation to date of asset revaluation.
 - b. Transfer balance of Accumulated Depreciation account to asset account to give asset's carrying amount.
 - c. Record the revaluation.
 - a. Revaluation increment

Dr Asset account
 Cr Revaluation Surplus (equity account)
 - b. Revaluation decrement

Dr Revaluation expense
 Cr Asset account

当做 Revaluation 的题目时，跟着上面图片的方式写 Entry

- 比如在 revaluation 之前我们记录了 Dr depreciation expense, Cr accumulated depreciation, 那么当开始 revaluation, 我们就要记录 Dr Accumulated depreciation, Cr equipment/land, 然后对比 fair value 和 carrying amount 的价格，如果 fair value 大于 carrying amount, 意味 revaluation surplus, 如果小于就是 revaluation expense. (PPT 36-37)

- Revaluation – reversal

- If initial revaluations reverse in a subsequent period revaluation increment (decrement) should be offset against previous revaluation decrement (increment) to the extent of the amount of the previous revaluation. Any excess to the previous revaluation goes to the

• Reversal of previous increment:

Revaluation Surplus	x	(reversal of previous increment)
Revaluation Expense	x	(further decrease)
Asset account	x	(decrease of asset)

• Reversal of previous decrement:

Asset account	x	(increase of asset)
Revaluation Expense	x	(reversal of previous decrement)
Revaluation Surplus	x	(further increase)

○ 判

断第一次的 reversal 是 increment 还是 decrement, 然后套 entry (PPT 38-40)

- Reversal of previous increment 要做的是, 一开始 revaluation 是升, 但是最后是降, Reversal of previous decrement 要做的是, 一开始是降, 而最后是升

- Disposal

- Recording depreciation:

July	1	Depreciation expense Accumulated depreciation—office furniture (To record depreciation expense for the first 6 months of 2015)	8 000	8 000
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- Calculation of gain on disposal:

Cost of office furniture	\$60 000
Less: Accumulated depreciation (\$41 000 + \$8000)	<u>49 000</u>
Carrying amount at date of disposal	11 000
Proceeds from sale	<u>16 000</u>
Gain on disposal of asset	<u><u>\$ 5 000</u></u>

Gain on Sale example:

- Wright Ltd sells office furniture on 1 July 2015 for \$16 000 cash.
- Original cost was \$60 000.
- Accumulated depreciation to 1 January 2015 is \$41 000.
- Depreciation expense for first 6 months of 2015 is \$8 000.

- Recording the sale of the asset:
 - Close both the asset and related accumulated depreciation accounts
 - Record cash received
 - Difference between debits and credits is the gain (cr) or loss (dr)

July	1	Cash	16 000	
		Accumulated depreciation—office furniture	49 000	
		Office furniture		60 000
		Gain on disposal		5 000
		(To record sale of office furniture at a gain)		

Loss on sale - example:

- Assume that the office furniture was sold for \$9 000 rather than \$16 000.
- Calculation of loss on disposal.

Cost of office furniture	\$60 000
Less: Accumulated depreciation	<u>49 000</u>
Carrying amount at date of disposal	11 000
Proceeds from sale	<u>9 000</u>
Loss on disposal of asset	<u>\$ 2 000</u>

- Recording the loss on sale of the asset:

July	1	Cash	9 000	
		Accumulated depreciation—office furniture	49 000	
		Loss on disposal	2 000	
		Office furniture		60 000
		(To record sale of office furniture at a loss)		

6. Cash flow statements

- Operating activities
 - o Cash receipts from customers (use sales and comparative account receivable account balance) (使用销售和比较应收账款账户余额)

PSA11.4 These are the financial statements of Metro Meats Ltd.

METRO MEATS LTD Statement of financial position as at 31 December 2015		
	2015	2014
<u>Assets</u>		
Cash	\$29 000	\$15 000
Accounts receivable	28 000	14 000
Inventory	25 000	35 000
Property, plant and equipment	60 000	78 000
Accumulated depreciation	(20 000)	(24 000)
Total	<u>\$122 000</u>	<u>\$118 000</u>
<u>Liabilities and equity</u>		
Accounts payable	\$26 000	\$25 000
Dividends payable	3 000	—
Income tax payable	5 000	8 000
Debentures payable	27 000	33 000
Share capital	18 000	14 000
Retained earnings	<u>43 000</u>	<u>38 000</u>
Total	<u>\$122 000</u>	<u>\$118 000</u>

METRO MEATS LTD Statement of profit or loss for the year ended 31 December 2015		
Sales		<u>\$250 000</u>
Cost of sales		<u>210 000</u>
Gross profit		40 000

- **Cash receipts from customers:**

Accounts Receivable			
Opening Balance	x,xxx	Cash received from customers	x,xxx
Sales	xx,xxx	Allowance for Doubtful Debts	xx
		Closing Balance	xxx
	<u>x,xxx</u>		<u>x,xxx</u>
Opening Balance next year	xxx		

- 使用以上图表直接套
- 或 $\text{Cash receipts from customers} = \text{Revenue from sales} + \text{Decrease in accounts receivable} - \text{bad debts written off} / - \text{increase in accounts receivable} - \text{bad debts writtern off}$
- $\text{Accrual based sales: } +\text{Beginning accounts receivable} - \text{Ending accounts receivable} - \text{bad debts written off} = \text{Cash receipts from customers}$
- Cash paid to supplier
 - Use cost of sales and comparative accounts payable and inventory (使用 Cost of sales 和比较应付账款账户余额以及库存)
 - Assume all purchases made on credit
 - 先通过库存计算出当月购买, 再通过应付账款算出给了多少给供应商
 - Formula to calculate cash payments to suppliers:
 $\text{Cash payment to suppliers} = \text{Cost of sale} + (\text{Increase in inventory} / - \text{decrease in inventory}) + (\text{Decrease in accounts payable} / - \text{increase in account payable})$
 - Accrual-Basis cost of sales: $-\text{Beginning Inventory} + \text{Ending Inventory} = \text{Accrual Basis Purchases}$, and Accrual Basis Purchase: $+ \text{Beginning A/P} - \text{Ending A/P} = \text{Cash paid to suppliers for purchases}$

Inventory			
Opening Balance	160,000	Cost of Sales	660,000
Account Payable (Purchases)	630,000		
		Closing Balance	130,000
	<u>790,000</u>		<u>790,000</u>
July 1 Balance	130,000		

Accounts Payable			
Payments to Suppliers	638,000	Opening Balance	60,000
		Inventory (Purchases)	630,000
June 30 Balance	52,000		
	<u>690,000</u>		<u>690,000</u>
		July 1 Balance	52,000

- Cash paid for operating expense
 - It exclude depreciation expense, don't consider the depreciation expense, 如果有, 必须去除
 - $= \text{operating expense} - \text{beginning prepaid expense} + \text{Ending prepaid expense} + \text{beginning accrued expense} - \text{ending accrued expense}$

- Cash payment to interest
 - Just focus on interest expense
- Cash payment to income tax
 - = Income tax expense + decrease in income tax payable or - increase in income tax payable

记得下面的 T 表，当遇到要算 **Cash payment to income tax** 的时候，直接带入

Income Tax Payable			
Cash (tax paid)	24,000	Opening Balance	0
		Income Tax Expense	36,000
June 30 Balance	12,000		
	<u>36,000</u>		<u>36,000</u>
		July 1 Balance	12,000

- Investing activities
 - Transactions relating to non-current assets
 - PP&E
 - Investments
 - Loans to other entities
 - Non-cash transactions are not included

Cash outflow for purchase of equipment or investments is listed separately from cash inflow from sale of equipment or investment

购买设备或投资的现金流出与出售设备或投资的现金流入分开列示

Increase and decrease in equipment:

- use depreciation expense, loss or gain on sale, and comparative equipment and accumulated depreciation accounts, plus additional information

一定要注意题目的 notes

- Financing activities
 - Relates to debt and equity of company
 - Use net profit and notes payable, issued shares and retained earnings.
 - Cash inflows: issued shares, issued notes
 - Cash outflows: dividend, repayment to notes

Note payable

- Cash inflow = cash received from issue of notes
- Cash outflow = cash paid upon redemption of notes
- Remember, non-cash transactions are not included in statement

Increase in ordinary shares

- Check additional information for details
- If none, assume increase/decrease in ordinary shares account represents cash received/paid

Report significant non-cash transactions in a NOTE at the end of the Statement of Cash Flows\

Free cash flow describes cash from operations available for expansion or payment of dividends

= Net cash provided by operating activities - Capital expenditures

- Indirect method 自己看看课件

Cash Flow

COMPANY NAME Statement of cash flows Period covered		
Cash flows from operating activities (List of individual items)	XX	
Net cash provided (used) by operating activities		XXX
Cash flows from investing activities (List of individual inflows and outflows)	XX	
Net cash provided (used) by investing activities		XXX
Cash flows from financing activities (List of individual inflows and outflows)	XX	
Net cash provided (used) by financing activities		XXX
Net increase (decrease) in cash		XXX
Cash at beginning of period		XXX
Cash at end of period		XXX

最后三个！一定要写！送分！

- Cash at end of period 就是 financial position 最新一年的 cash
- Cash at beginning of period 就是 financial position 第一年的 cash
- Net increase (decrease) in cash 就是前两个的差

7. Conceptual framework

- The objective of GPFR (general purpose financial reporting)
 - o Provide financial information that is useful to users in making decisions relating to providing resources to entity. (提供对用户作出有关向实体提供资源的决策有用的财务信息)
 - o Users: Existing and potential investors, lenders and other creditors
 - o Users' decision about:
 - Buying, selling or holding equity or debt instruments
 - Providing or settling loans and other forms of credit
 - Voting, or otherwise influencing management's actions
- Qualitative Characteristics
 - o Fundamental: Relevance, Faithful Representation
 - o Enhancing: Comparability, Verifiability, Timeliness, Understandability
 - o Cost Constraint

PPT p8:

- Relevance: 能够看出不同，或能够预测或确认价值，重要性
- Faithful representation: 完整描述，没有偏见，没有错误
- Comparability: 要么看起来一样，如果不一样就必须能够做出比较
- Verifiability: 可与有知识和独立的观察人员达成共识
- Timeliness: 合适的时候做出不一样的决定
- Understandability: 财务报告是为对商业和经济活动有合理了解的用户准备的

- The elements of financial statement (具体参照 PPT p10-18)

Balance sheet elements (Conceptual Framework p49)	
Assets <ul style="list-style-type: none"> • Future economic benefits • Controlled • Result of past events 	Liability <ul style="list-style-type: none"> • Present obligation • Arising from past events • Outflow of resources Equity <ul style="list-style-type: none"> • Residual interest in the assets after deducting all its liabilities
Profit or loss elements (Conceptual Framework p70)	
Expense <ul style="list-style-type: none"> • Decrease of assets or increase of liabilities • Results in a decreases in equity • Not distributions to owners 	Income <ul style="list-style-type: none"> • Increase of assets or decreases of liabilities • Results in an increases in equity • Not contributions from owners

- o An economic resource is a right that has the potential to produce economic benefits

- Right?

An economic resource is **a right** that has the potential to produce economic benefits.

- Rights that correspond to an obligation of another party:
 - Rights to receive cash
 - Rights to receive goods or services
 - Rights to exchange economic resources with another party on favourable terms
 - Rights to benefit from an obligation of another party to transfer an economic resources if a specified uncertain future event occurs

- Criteria of recognition (参照 PPT p19-27)

Recognition is appropriate if it results in both **relevant** information about assets, liabilities, equity, income and expenses and a **faithful representation** of those items, because the aim is to provide information that is **useful** to users of financial statements.

Justification of recognition should be based on above fundamental characteristics which are necessary to provide useful information to users.

Recognition should consider the cost constraints.

Relevance may be reduced by:

- ✓ low probability of a flow of economic benefits
- ✓ **existence uncertainty of an asset or a liability**

Faithful representation may be reduced by:

- ✓ **measurement uncertainty** (i.e., too wide a range of possible outcomes, difficult to estimate probability, very high sensitivity to small changes in estimates)
- ✓ how information is presented and disclosed, e.g., does the description detract

- Measurement (PPT p29)
 - Historical cost measurement base

Provides information derived, and from the past information, the price of the transaction. (历史成本提供的信息，至少部分来源于交易的价格或导致被计量项目的其他事件)

One way to apply historical cost measurement base to financial assets and financial liabilities is to measure them at amortised cost (将历史成本计量基础应用于金融资产和金融负债的一种方法是按摊销成本进行计量)
 - Current value measure bases

Fair value

Value in use

Current cost
- Presentation
 - Providing more useful (relevant and faithful represented information. Y presentation and disclosure)

- **Accounting period concept:**

- The life of a business entity can be divided into artificial periods.
- Useful reports covering those periods can be prepared for the entity.

- **Going concern principle:**

- Business will remain in operation for the foreseeable future.

- **Cost principle:**

- All assets are initially recorded in the accounts at their purchase price or cost.
- To provide useful information, sometimes entities need to deviate from cost principle (e.g. revaluation of non-current assets).

- **Full disclosure principle:**

- All circumstances and events that could make a difference to decision-making process should be disclosed in the financial statements.

Concepts and principles

- **Monetary principle:**

- Items included in accounting records must be able to be expressed in monetary terms (e.g. \$).

- **Accounting entity concept:**

- Every entity can be separately identified and accounted for.
- Owner's transactions are separate from entity's transactions.

Additional Topic

- Accounting information system
 - 搞清楚 Special journal (CRJ/CPJ/PJ/SJ)
 - 搞清楚 Corporate governance
 - 搞清楚什么是 internal control, 且有什么作用
- Liability and Equity
 - 参照复习课件进行复习

考试复习:

1. 合理安排时间
2. 复习资料: 课件, Tutorial Question, Extended activities, notes, 以及这个大纲
3. 调整心态, 相信自己!

最后祝大家考试顺利!

麻烦大家花费点时间扫二维码填下问卷哦~

辛苦大家啦~

感谢大家这一学期的陪伴

Gary 学长在此为你们鞠躬!

