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**NAME:**

**ACCOUNTING**

**Unit 3 Examination**

## Reading time: 15 minutes

**Writing time: 120 minutes**

**ANSWER BOOK**

**Structure of book**

* A question book is provided with this answer book.
* Answer all questions in the spaces provided in this book.
* Write your name in the space provided above on this page
* Refer to Instructions on the front cover of the question book

**Students are NOT permitted to bring mobile phones and/or any other unauthorised electronic devices into the room.**

**Question 1** [16 marks]

1. 5 marks

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Inventory item: Elite Tennis Rackets Location: Aisle 7  Inventory code: ETR091 Supplier: GetNow Sports Supplies | | | | | | | | | | |
| **Date** | **Details** | **IN** | | | **OUT** | | | **BALANCE** | | |
| **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** |
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| Inventory item: Basic Tennis Rackets Location: Aisle 9  Inventory code: BTR091 Supplier: GetNow Sports Supplies | | | | | | | | | | |
| **Date** | **Details** | **IN** | | | **OUT** | | | **BALANCE** | | |
| **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** |
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1. 6 marks

**Bank (A)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
|  |  |  |  |  |  |
|  |  |  | March 5 |  | 3 300 |
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**Accounts Payable (L)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
|  |  |  |  |  |  |
|  |  |  | March 17 |  | 396 |
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1. 3 marks

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| **Accounting assumption:** |
| **Explanation:** |
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1. 2 marks

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| **Explanation:** |
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**Question 2** [15 marks]

1. 4 marks

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| --- | --- | --- | --- | --- | --- |
|  | **$** | **$** |  | **$** | **$** |
| **Current assets** |  |  | **Current liabilities** |  |  |
| Bank |  |  | Loan – Bank of Australia |  |  |
| Accounts Receivable |  |  | GST payable |  |  |

1. 2 marks

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Details** | **Debit $** | **Credit $** |
| July 28 |  |  |  |
|  |  |  |  |
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1. 4 marks

**General Journal**

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| --- | --- | --- | --- |
| **Date** | **Details** | **Debit $** | **Credit $** |
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1. 3 marks

**JOHN’S JEWELRY SHOP**

**Income Statement for July 2024**

|  |  |  |
| --- | --- | --- |
|  | **$** | **$** |
| **Revenue** |  |  |
| Sales |  |  |
| Sales returns |  |  |
| **Other expenses** |  |  |
|  |  |  |

1. 2 marks

|  |
| --- |
| **Explanation:** |
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**Question 3** [21 marks]

1. 2 marks

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| --- | --- |
| **Circumstance in which Terry would be eligible for discount revenue:** | |
|  | |
| **Working space** | |
| **Discount revenue:** | **$** |

1. 6 marks

**TERRY’S TEXTBOOKS**

**Cash Flow Statement for January 2024**

|  |  |  |
| --- | --- | --- |
|  | **$** | **$** |
| **CASH FLOWS FROM OPERATIONS** |  |  |
|  |  |  |
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|  |  |  |
|  |  |  |
|  |  |  |
| **Net Cash Flows from Operations** |  |  |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |
|  |  |  |
|  |  |  |
| **Net Cash Flows from Investing activities** |  |  |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |
|  |  |  |
|  |  |  |
| **Net Cash Flows from Financing activities** |  |  |
| **Net Increase (Decrease) in cash position** |  |  |
| **Add Bank Balance at start (1 January 2024)** |  | 70 000 |
| **Bank Balance at end (31 January 2024)** |  |  |

1. 3 marks

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| --- |
| **Explanation:** |
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1. 4 marks

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| **Explanation for first action:** |
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| **Explanation for second action:** |
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1. 2 marks

|  |  |
| --- | --- |
| **Working space:** | |
| **Net profit:** | **$** |

1. 4 marks

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| --- |
| **Distinguishing through first example:** |
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| **Distinguishing through second example:** |
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**Question 4** [30 marks]

1. 1 mark

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| --- | --- |
| **Working space:** | |
| **Product cost:** | **$** |

1. 2 marks

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Inventory item: Machine Parts Location: Store rooms a, b, c  Inventory code: MP001 Supplier: M Supplies | | | | | | | | | | |
| **Date** | **Details** | **IN** | | | **OUT** | | | **BALANCE** | | |
| **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** | **Qty** | **Cost** | **Total** |
| 1 October | Balance |  |  |  |  |  |  | 150 | 200 | 30 000 |
|  |  |  |  |  |  |  |  |  |  |  |
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**General Ledger**

**Inventory (A)**

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Inventory write-down (E)**

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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1. 4 marks

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| **Discussion:** |
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1. 3 marks

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| **Qualitative characteristic:** |
| **Explanation:** |
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1. 10 marks

**General Journal**

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| --- | --- | --- | --- |
| **Date** | **Details** | **Debit $** | **Credit $** |
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**General Ledger**

**Accounts Payable (L)**

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Inventory (A)**

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**GST Clearing (A or L)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Cost of Sales (E)**

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Sales (R)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Bank (A)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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**Freight Out (E)**

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| **Date** | **Cross-reference** | **Amount $** | **Date** | **Cross-reference** | **Amount $** |
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1. 10 marks

**COMPUTING MAX**

**Income Statement for October 2024**

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| --- | --- | --- |
|  | **$** | **$** |
| **Revenue** |  |  |
|  |  |  |
|  |  |  |
| **Less Cost of Goods Sold** |  |  |
|  |  |  |
|  |  |  |
| **Gross Profit** |  |  |
|  |  |  |
|  |  |  |
| **Adjusted Gross Profit** |  |  |
| **less Other Expenses** |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Net Profit** |  |  |

**Question 5** [8 marks]

1. 3 marks

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| **Examples:** |
| **Explanation:** |
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1. 5 marks

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| **Outline of a strategy:** |
| **Discussion:** |
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**Question 6** [10 marks]

1. 2 marks

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| **Explanation:** |
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1. 4 marks

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| **Explanation of advantage:** |
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| **Explanation of disadvantage:** |
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1. 4 marks

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| **Risk:** |
| **Explanation of recommendation:** |
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