

MARKER CODE



Student Personal Identification Number

South Pacific Form Seven Certificate

ACCOUNTING

2020

QUESTION and ANSWER BOOKLET (2)

Time allowed: Three hours

(An extra 10 minutes is allowed for reading this paper.)

INSTRUCTIONS

Write your **Student Personal Identification Number (SPIN)** in the space provided on the top right-hand corner of this page.

Answer **ALL QUESTIONS**. Write your answers in the spaces provided in this booklet.

If you need more space for answers, ask the Supervisor for extra paper. Write your SPIN on all extra sheets used and clearly number the questions. Attach the extra sheets at the appropriate places in this booklet.

Major Learning Outcomes (Achievement Standards)	Skill Level & Number of Questions				Weight/ Time
	Level 1 <i>Uni- structural</i>	Level 2 <i>Multi- structural</i>	Level 3 <i>Relational</i>	Level 4 <i>Extended Abstract</i>	
Strand 1: The Conceptual Basis of Accounting Demonstrate an understanding of the foundations of accounting and contextualise the application of concepts and assumptions of accounting.	6	2	-	-	10% 26 min
Strand 2: Financial Information for Partnerships and Companies Demonstrate an understanding of financial transactions of a partnership and a company.	1	2	5	-	20% 50 min
Strand 3: Financial Information for a Manufacturing Job-costing Subsystem Demonstrate an understanding of recording and processing financial transactions of a manufacturing enterprise and evaluation of a job cost system.	-	3	-	1	10% 26 min
Strand 4: Reporting of Financial Information Demonstrate an understanding of financial reports of a partnership and a company.	2	2		1	10% 26 min
Strand 5: Evaluation of a Company's Financial Information Demonstrate an understanding of the analysis and interpretation of financial and non-financial information for reporting and decision-making.	2	2	-	1	10% 26 min
Strand 6: Information for Management Decision Making Demonstrate an understanding of information for management decision making.	8	1	-	-	10% 26 min
TOTAL	19	12	5	3	70% 180 min

Check that this booklet contains pages 2–14 in the correct order and that none of these pages are blank.

HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

STRAND 1: THE CONCEPTUAL BASIS OF ACCOUNTING*Assessor's use only*

1.1	<p>One of the key objectives of financial reporting is to provide financial information to investors. Identify another key objective of financial reporting.</p> <hr/> <hr/> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR			
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1.2c	<p>In order for financial reports to be useful in decision-making, they must be available in real time.</p> <p>Identify the accounting characteristic being described.</p> <hr/> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR			
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1.2d	<p>Identify the term used to define the valuation method whereby assets and goods used in production are valued at their actual or estimated current market prices at the time of production.</p> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR			
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1.2e	<p>Identify the accounting principle that requires a business to report its financial statements appropriate to a specific time period.</p> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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1.2f	<p>Identify the accounting concept that requires the business to record the value of its assets at the price they were purchased.</p> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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1.2g	<p>Identify the accounting principle that outlines the recognition of expenses and liabilities, even when there is uncertainty of their being incurred, but recognises revenues and assets only when there is certainty of their being received.</p> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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STRAND 2: FINANCIAL INFORMATION FOR PARTNERSHIPS AND COMPANIES

Use the following information to answer questions 2.1a–2.1c.

On 31/12/2019, Peter and Ken agreed to form a partnership. Peter was to contribute cash of \$35 000 while Ken was to contribute an existing business. The assets and liabilities of Ken were as follows:

Statement of Financial Position of Ken as at 31st December, 2019					
Assets	\$	\$	Liabilities	\$	\$
Accounts Receivable		2 500	Bank Overdraft	4 000	
Inventories		4 500	Creditors	5 000	9 000
Furniture	10 000		Owner's Equity		
Less Acc. Depreciation	1 000	9 000	Capital		37 000
Motor Vehicle		30 000			
		46 000			46 000

The partnership agreed to revalue the Accounts Receivable to \$2 000 and Inventories at \$4 000.

Assessor's use only

2.1a	<p>Prepare the General Journal entries to record Ken's contribution to the partnership.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 15%;">Debit (\$)</th> <th style="width: 15%;">Credit (\$)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date	Particulars	Debit (\$)	Credit (\$)																																									<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Relational</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">3</td><td> </td></tr> <tr><td style="text-align: center;">2</td><td> </td></tr> <tr><td style="text-align: center;">1</td><td> </td></tr> <tr><td style="text-align: center;">0</td><td> </td></tr> <tr><td style="text-align: center;">NR</td><td> </td></tr> </tbody> </table>	Relational		3		2		1		0		NR	
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2.1b	<p>Explain the purpose of revaluing Accounts Receivable and Inventories.</p> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>	<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Relational</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">3</td><td> </td></tr> <tr><td style="text-align: center;">2</td><td> </td></tr> <tr><td style="text-align: center;">1</td><td> </td></tr> <tr><td style="text-align: center;">0</td><td> </td></tr> <tr><td style="text-align: center;">NR</td><td> </td></tr> </tbody> </table>	Relational		3		2		1		0		NR																																													
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2.1c	<p>Prepare the Statement of Financial Position of Peter and Ken as at 1 January 2020.</p> <table border="1" data-bbox="264 275 1235 775"> <thead> <tr> <th colspan="5">Peter and Ken Statement of Financial Position as at 1st January 2020</th> </tr> <tr> <th>Assets</th> <th>\$</th> <th>Liabilities</th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Cash at Bank</td> <td></td> <td>Creditors</td> <td></td> <td></td> </tr> <tr> <td>Accounts Receivable</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inventories</td> <td></td> <td>Owner's Equity</td> <td></td> <td></td> </tr> <tr> <td>Furniture</td> <td></td> <td>Capital – Peter</td> <td></td> <td></td> </tr> <tr> <td>Motor Vehicle</td> <td></td> <td>Capital – Ken</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Peter and Ken Statement of Financial Position as at 1 st January 2020					Assets	\$	Liabilities	\$	\$	Cash at Bank		Creditors			Accounts Receivable					Inventories		Owner's Equity			Furniture		Capital – Peter			Motor Vehicle		Capital – Ken								<table border="1" data-bbox="1259 472 1465 775"> <thead> <tr> <th colspan="2">Relational</th> </tr> </thead> <tbody> <tr> <td>3</td> <td></td> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Relational		3		2		1		0		NR	
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2.1f	<p>The following information relates to the Current Account of Anna: Current account balance: \$1 500 Dr: Interest on current account: 5% Drawings: \$1 500: Interest on Drawings: 10% Salary due: \$15 000 Share of Profit: \$10 000 Prepare Anna's Current Account to determine the closing balance.</p> <table border="1" data-bbox="264 1637 1235 2087"> <thead> <tr> <th colspan="4">Current Account – Anna</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Current Account – Anna																												<table border="1" data-bbox="1259 1760 1465 2087"> <thead> <tr> <th colspan="2">Relational</th> </tr> </thead> <tbody> <tr> <td>3</td> <td></td> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Relational		3		2		1		0		NR													
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2.2a	Describe a feature of ordinary shares. <hr/> <hr/> <hr/> <hr/>	<table border="1"> <thead> <tr> <th colspan="2">Multistructural</th> </tr> </thead> <tbody> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Multistructural		2		1		0		NR																											
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2.2b	<p>On 1/5/2020 the directors of New Adventures Ltd decided to issue 700 000 shares at a par value of \$1. The prospectus states that:</p> <ul style="list-style-type: none"> • 60c to be included with the application form • 30c to be paid upon allotment • 10c to be paid when called by the company. <p>Applications closed on 30/6/2020 and all the shares were allotted on 6/7/2020. All call monies were received by 30/7/2020, except for the amount on 10 000 shares.</p> <p>Required: Prepare an extract of the Shareholders' Equity and Current Assets section in the Statement of Financial Position of New Adventures Ltd.</p> <p style="text-align: center;">New Adventures Ltd Statement of Financial Position as at 30 July, 2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Shareholders' Equity</th> <th style="width: 20%;">\$</th> <th style="width: 20%;">\$</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td>Current Assets</td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> </tbody> </table>	Shareholders' Equity	\$	\$	Share Capital															Current Assets						<table border="1"> <thead> <tr> <th colspan="2">Relational</th> </tr> </thead> <tbody> <tr> <td>3</td> <td></td> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Relational		3		2		1		0		NR	
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STRAND 3: FINANCIAL INFORMATION FOR A MANUFACTURING JOB-COSTING SUB-SYSTEM

Use the following information to answer questions 3.1a–3.1c.

The following information relates to **Anton’s Furniture Production** for the month of November 2020.

The opening balances are as follows:

Raw Materials Inventory (1/11/2020)	\$8 500
Factory Supplies Inventory (1/11/2020)	\$9 100
Work in Process (1/11/2020)	\$15 000

The following information for November production was supplied to the accounts department:

- Factory Supplies used \$4 500
- Direct Materials used \$5 500
- Direct Labour \$6 330
- Indirect Labour \$500

The predetermined factory overhead rate is 10% of Direct Materials used.

Assessor’s use only

3.1a	<p>Prepare the Journal entry to record the Direct Material transferred to Work in Process.</p> <table border="1" data-bbox="236 1193 1236 1435"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date	Particulars	Dr	Cr																	<table border="1" data-bbox="1262 1182 1453 1435"> <thead> <tr> <th colspan="2">Multistructural</th> </tr> </thead> <tbody> <tr><td>2</td><td> </td></tr> <tr><td>1</td><td> </td></tr> <tr><td>0</td><td> </td></tr> <tr><td>NR</td><td> </td></tr> </tbody> </table>	Multistructural		2		1		0		NR	
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3.1b	<p>Prepare the Journal entry to record the Direct Labour transferred to Work in Process.</p> <table border="1" data-bbox="236 1588 1236 1830"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date	Particulars	Dr	Cr																	<table border="1" data-bbox="1262 1576 1453 1830"> <thead> <tr> <th colspan="2">Multistructural</th> </tr> </thead> <tbody> <tr><td>2</td><td> </td></tr> <tr><td>1</td><td> </td></tr> <tr><td>0</td><td> </td></tr> <tr><td>NR</td><td> </td></tr> </tbody> </table>	Multistructural		2		1		0		NR	
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STRAND 4: REPORTING OF FINANCIAL INFORMATION*Assessor's use only*

4.1a	State the purpose of partnership financial reports. <hr/> <hr/> <hr/> <hr/>	<table border="1"> <tr><th colspan="2">Unistructural</th></tr> <tr><td>1</td><td></td></tr> <tr><td>0</td><td></td></tr> <tr><td>NR</td><td></td></tr> </table>	Unistructural		1		0		NR	
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4.1b	State the purpose of the partnership statement of financial position. <hr/> <hr/> <hr/> <hr/>	<table border="1"> <tr><th colspan="2">Unistructural</th></tr> <tr><td>1</td><td></td></tr> <tr><td>0</td><td></td></tr> <tr><td>NR</td><td></td></tr> </table>	Unistructural		1		0		NR	
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Use the information given below to answer questions 4.1c–4.1e.

The following information relates to **Jane & Billy's Consultancy** for the financial year ending 30 June, 2020:

1. Capital Account Balance: Jane \$10 000 Cr, Billy \$8 000 Cr
2. Interest on capital: 10%
3. Salary \$4 000 for non working partner (Billy)
4. Net Income: \$20 000
5. Drawings: Jane \$2 000, Billy \$1 000
6. Interest on Drawings: 15%
7. Profit or loss is distributed equally.

The following adjustments were obtained from their financial records at the end of the accounting period, which were not taken into account while ascertaining the Net Income for the current year.

- 10% worth of bad debts is to be written off. Accounts Receivable amount is \$5 000.
- The insurance amount of \$200 has not been paid.

Assessor's use only

4.1c	Prepare the journal entries for bad debts. <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date	Particulars	Dr	Cr																	<table border="1"> <tr><th colspan="2">Multistructural</th></tr> <tr><td>2</td><td></td></tr> <tr><td>1</td><td></td></tr> <tr><td>0</td><td></td></tr> <tr><td>NR</td><td></td></tr> </table>	Multistructural		2		1		0		NR	
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STRAND 5: EVALUATION OF A COMPANY'S FINANCIAL INFORMATION

Use the information given below to answer questions 5.1a–5.1c.

The following financial information relates to **Jeeta's Enterprises** for the financial year ending 31 Dec 2019 and 2018.

	2019 \$	2018 \$
Sales	50 000	48 000
Gross Profit	19 000	18 500
Expenses	12 000	10 000
Fixed Assets	49 000	55 000
Stock	10 000	6 000
Debtors	5 000	6 000
Cash at Bank	2 000	3 000
Current Liabilities	13 000	12 500
Capital	64 000	49 000

Assessor's use only

5.1a	Name the type of analysis used when businesses show two years' performance. _____ _____	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR									
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5.1b	Calculate the Net Profit Ratio for 2019. (Express your answer to two decimal places.) <table border="1"> <thead> <tr> <th></th> <th>Formula and working</th> <th>Answer</th> </tr> </thead> <tbody> <tr> <td>Net Profit Ratio</td> <td></td> <td></td> </tr> </tbody> </table>		Formula and working	Answer	Net Profit Ratio			<table border="1"> <thead> <tr> <th colspan="2">Multistructural</th> </tr> </thead> <tbody> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Multistructural		2		1		0		NR	
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5.1c	Calculate the Current Ratio for 2019. (Express your answer to two decimal places.) <table border="1"> <thead> <tr> <th></th> <th>Formula and working</th> <th>Answer</th> </tr> </thead> <tbody> <tr> <td>Current Ratio</td> <td></td> <td></td> </tr> </tbody> </table>		Formula and working	Answer	Current Ratio			<table border="1"> <thead> <tr> <th colspan="2">Multistructural</th> </tr> </thead> <tbody> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Multistructural		2		1		0		NR	
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<p>5.2a</p>	<p>Identify one item of non-financial information that is important for a car dealer.</p> <hr/> <hr/> <hr/>	<table border="1"> <tr> <th colspan="2">Unistructural</th> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Unistructural		1		0		NR							
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<p>5.2b</p>	<p>The management of a company is required to consider financial and non financial information as key to decision making. Discuss two items of financial information that are critical for management to consider for decision making.</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<table border="1"> <tr> <th colspan="2">Extended Abstract</th> </tr> <tr> <td>4</td> <td></td> </tr> <tr> <td>3</td> <td></td> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Extended Abstract		4		3		2		1		0		NR	
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STRAND 6: INFORMATION FOR MANAGEMENT DECISION MAKING

	<p>Use the case study given below to answer questions 6.1a–6.1e.</p> <p>Peter’s motor mechanical garage is busy throughout the year. With the current number of mechanics that Peter employs, the business is not in a position to complete all the mechanical work within normal working hours. In order to meet the demand, Peter engages his staff to work overtime.</p>									
		<i>Assessor’s use only</i>								
6.1a	<p>Is engaging staff to work overtime a routine or strategic decision?</p> <p>_____</p> <p>_____</p>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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6.1b	<p>State the objective of this decision for staff to work overtime.</p> <p>_____</p> <p>_____</p> <p>_____</p>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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6.1c	<p>In order to have his staff work overtime, identify one item of financial information required to make this decision.</p> <p>_____</p> <p>_____</p>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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6.1d	<p>In order to have his staff work overtime, identify one item of non-financial information needed to make this decision.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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6.1e	<p>Identify an alternative course of action that Peter could implement to meet the demands of all his customers.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<table border="1"> <thead> <tr> <th colspan="2">Unistructural</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </tbody> </table>	Unistructural		1		0		NR	
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6.2a	<p>State the purpose of a budget.</p> <hr/> <hr/> <hr/> <hr/>	<table border="1"> <tr> <th colspan="2">Unistructural</th> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Unistructural		1		0		NR			
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6.2b	<p>Identify a non-cash item that is not included in the cash budget.</p> <hr/>	<table border="1"> <tr> <th colspan="2">Unistructural</th> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Unistructural		1		0		NR			
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6.2c	<p>Name the analysis that is used to determine how changes in costs and volume affect a company's operating income and net income.</p> <hr/>	<table border="1"> <tr> <th colspan="2">Unistructural</th> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Unistructural		1		0		NR			
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6.2d	<p>Tina's Marketing makes children's chairs. The selling price per chair is \$100. The company incurs a variable cost of \$55 per chair. The annual fixed cost is \$200 000 and the company's production capacity is 50 000 units.</p> <p>Calculate the contribution margin per chair by showing full working.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>Working:</p> <p>Answer: \$.....</p> </div>	<table border="1"> <tr> <th colspan="2">Multistructural</th> </tr> <tr> <td>2</td> <td></td> </tr> <tr> <td>1</td> <td></td> </tr> <tr> <td>0</td> <td></td> </tr> <tr> <td>NR</td> <td></td> </tr> </table>	Multistructural		2		1		0		NR	
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