



BLOOM: CURTIN

Session 1: 11am to 11.55am – Friday 19 July 2024

ACF ATAR: Back to Basics with Assessment



Presenter:

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Agenda

- 1 WACE requirements for assessment for ATAR ACF
- 2 Reducing the number of assessments
- 3 Test assessment type
- 4 Where to get resources from
- 5 How to modify a practical question
- 6 AI
- 7 How to modify a multiple-choice question
- 8 How to modify a theory question
- 9 Project assessment type
- 10 Exam assessment type
- 11 Activity

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2.4.1 Security of assessment tasks

Commonly accepted practice to ensure fairness to all students.

Modify existing assessment tasks by:

- Change names of business
- Type of business
- Dates
- Figures
- Reword how the questions are asked
- Change the case study/scenario
- Ask a new set of questions on a different topic

Do not inform students of the source of any assessment tasks (especially exam suppliers)

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WACE requirements

School-based assessment

The Western Australian Certificate of Education (WACE) Manual contains essential information on principles, policies and procedures for school-based assessment that needs to be read in conjunction with this syllabus.

Teachers design school-based assessment tasks to meet the needs of students. The table below provides details of the assessment types for the Accounting and Finance ATAR Year 12 syllabus and the weighting for each assessment type.

Teachers are required to use the assessment table to develop an assessment outline for the pair of units.

The assessment outline must:

- include a set of assessment tasks
- include a general description of each task
- indicate the unit content to be assessed
- indicate a weighting for each task and each assessment type
- include the approximate timing of each task (for example, the week the task is conducted, or the issue and submission dates for an extended task).

In the assessment outline for the pair of units, each assessment type must be included at least once over the year/pair of units.

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Example Assessment Outline for Year 12 ATAR (8 tasks)

Assessment type	Assessment type weighting	Assessment task weighting	Start and submission date	Assessment task
Tests	50%	12%	Semester 1 Week 6	Task 1: Cost accounting/cost-volume-profit (CVP) Practical and theoretical questions drawn from: cost concepts, classifications of costs and calculating costs, the relationship between volume of activity, costs and profit, calculating CVP for single and/or multi-product firms, interpretation of CVP results and CVP analysis for decision making
		13%	Semester 1 Week 11	Task 3: Budgets Practical and theoretical questions drawn from: the nature, importance and components of a master budget, purpose and function of budgets, difference between cash and accrual accounting, business planning, cost leadership and preparation and interpretation of cash budgets (including debtors' and creditors' schedules), budgeted income statement and performance reports for cash budgets and budgeted income statement
		15%	Semester 2 Week 7	Task 5: Company characteristics, share issue, profit distributions and company financial statements Practical and theoretical questions drawn from: characteristics of public and large proprietary companies, the purpose and nature of the <i>Corporations Act 2001</i> and its impact on company formation and operations, preparation of journal and ledger entries for share issues, dividends and share issue costs and the preparation of retained earnings ledger account, financial statements (including statement of comprehensive income, statement of financial position, statement of changes in equity and notes to accounts) in accordance with the <i>Conceptual Framework</i> and the standards
		10%	Semester 2 Week 13	Task 7: Cash flow statements and ratio analysis Practical and theoretical questions drawn from: concept of cash and cash equivalents, benefits of cash flow statement information, preparation of cash flow statement and interpretation of movements in the cash flow items, preparation and interpretation of ratios.
Project	10%	5%	Semester 1 Weeks 8	Task 2: Capital investment decisions/financial principles of asset management Research task based on nature and importance, factors affecting and capital investment decisions, interpretation of capital investment techniques to evaluate capital expenditure and the financial principles of asset management. Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research
		5%	Semester 2 Weeks 8-9	Task 6: Accounting standards/The Conceptual Framework/corporate social disclosure/external audit and auditor Research task based on the purpose of accounting standards, Conceptual Framework and/or corporate social disclosure, external audit/auditor Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research
Examination	40%	15%	Semester 1 Week 15	Task 4: Semester 1 examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 4-6 questions (70%) Section Three: Extended answer, one question from a choice of two (15%)
		25%	Semester 2 Week 15	Task 8: Semester 2 examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 4-6 questions (70%) Section Three: Extended answer, one question from a choice of two (15%)
Total	100%	100%		

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Assessment type

Test

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WACE requirements - Tests

Tests	
<p>Students respond to stimuli, such as case studies, financial information and accounting scenarios. They calculate, record, report, analyse, interpret, problem solve and provide recommendations on financial and non-financial information.</p> <p>Formats can include: written or oral response to scenarios, case studies, preparation of financial statements, recommendations, reports or any other form that demonstrate critical analysis and preparation of accounting and finance information.</p> <p>Typically tasks involve a combination of theory and practical questions. Practical questions should represent 60–65% of the mark for tests.</p>	50%

Creating a test

Writing a test assessment type for both Year 11 and 12 **ATAR** Accounting and Finance, there should be a balance between practical and theory questions

Practical questions should represent between 60% to 65% of the test
Theory questions should represent between 35% to 40% of the test



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Developing a test

- Typically tasks involve a combination of theory and practical questions.
- Practical questions should represent 60–65% of the mark for tests.

Task 2				Task 3				Task 6				Task 7			
Question number	Practical marks	Theory marks	Test total	Question number	Practical marks	Theory marks	Test total	Question number	Practical marks	Theory marks	Test total	Question number	Practical marks	Theory marks	Test total
1		1		1		1		1		1		1		1	
2		1		2		1		2		1		2		1	
3		1		3		1		3		1		3		1	
4		1		4		1		4		1		4		1	
5		1		5		1		5		1		5		1	
6	6			6	7	8		6	16	8		6	16	2	
7		2		7	19	6		7	19	6		7	19	6	
8		12		8				8				8			
9	23			9				9				9			
Total marks	29	19	48	Total marks	26	19	45	Total marks	35	19	54	Total marks	35	13	48
%	60%	40%	100%	%	58%	42%	100%	%	65%	35%	100%	%	73%	27%	100%



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Designing a test

Before designing the Test, the following should be considered.

- The format: short and/or extended theory questions
- Suggested time allocation for assessment: (50 minutes)
- **Practical questions should be between 60 to 65% of the test**
- **Theory questions should be between 35 to 40% of the test**
- Multiple choice questions can be a combination of theory and practical
- The verbs to be used from the glossary of key words in the formation of questions.
- Structure of the marking key (how marks will be assigned).

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Assessment compliancy tool

ACF 12 assessment tasks				Task 5 Companies			
Question number	Practical marks	Theory marks	Total	Question number	Practical marks	Theory marks	Total
1		1	1	1	25		25
2		1	1	2	15	23	38
3		1	1	3		1	1
4		1	1	4	1		1
5		1	1	5	1		1
6	15		15	6	1		1
7	4	4	8	7			0
8	19		19	8			0
9			0	9			0
			0	10			0
			0				0
Total marks	38	9	47	Total marks	43	24	67
%	81%	19%	100%	%	64%	36%	100%



Assessment outline extract

13%	Semester 1 Week 11	Task 3: Budgets Practical and theoretical questions drawn from: the nature, importance and components of a master budget, purpose and function of budgets, difference between cash and accrual accounting, business planning, cost leadership and preparation and interpretation of cash budgets (including debtors' and creditors' schedules), budgeted income statement and performance reports for cash budgets and budgeted income statement
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Where to get resources from

- BEWA exams
- ATAR exams
- OnTask Assessments
- ESTs
- BEWA practice ESTs



BEWA Exam matrix ACF 12



BEWA Exam matrix ACF 11



Exam matrix for Accounting and Finance Year 12

This is a resource to assist teachers to find questions relating to the year 12 syllabus content. The past four years of BEWA exams have the questions mapped to the content areas.

Topic	2018				2019				2020				2021				2022									
	Unit 1		Unit 3,4		Unit 1		Unit 3,4		Unit 1		Unit 3,4		Unit 1		Unit 3,4		Unit 1		Unit 3,4							
Budgets	1,2,3,12	17	20c-d	11	10	8, 9, 9	17	21a	21c	2, 5	10	21a	5, 5	16	20a-d	7, 10	210a-d	5	10	4	17	220a	16	21b-c	2, 3, 18c-d	22f
Capital investments	5	18		10	21a-b	3, 7	16	20b					11	17	20c	11-12										
Cost volume profit	3, 8, 11	16		4	17b-d	21c	4, 5	16	20f	4, 9	21b-d	2, 4	18		5, 9	18a-d										
Cost accounting	15	19		13	17a		12	20		10	18	21a	7, 15	19		16a-d	21f	1, 2, 4, 6	10	14			2, 5	17		



Exam matrix for Accounting and Finance Year 11

This is a resource to assist teachers to find questions relating to the year 11 syllabus content. The past four years of BEWA exams have the questions mapped to the year 11 content areas. Inventory methods include perpetual and periodic inventory from unit 1 and also includes inventory valuation (FIFO and weighted average) methods from unit 2.

Topic	2018				2019				2020				2021				2022							
	Unit 1		Units 1-2		Unit 1		Units 1-2		Unit 1		Units 1-2		Unit 1		Units 1-2		Unit 1		Units 1-2					
Business ownership	8, 12	17b-c	12	21a	2, 4	8	11, 15	18c	20a	5, 5	18b-d	20a-b	5	16a	1, 5, 10	17b	3a	5	20a	16c	18a	18c	18e	18f
Equity		18c																						
CSI		20d	21e																					
Fundamental concepts/principles	2, 4, 8, 14	16c	18c-d	1, 8	13		5, 8	16c	20c	21a	13	21a	1, 4, 6, 11, 15	16a	3, 5	16b	21c	2, 4, 6	5, 13, 14	16d	18d	18f	12	

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Assessment Outline (extract) - budgets test

13%	Semester 1 Week 11	<p>Task 3: Budgets</p> <p>Practical and theoretical questions drawn from: the nature, importance and components of a master budget, purpose and function of budgets, difference between cash and accrual accounting, business planning, cost leadership and preparation and interpretation of cash budgets (including debtors' and creditors' schedules), budgeted income statement and performance reports for cash budgets and budgeted income statement</p>
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Syllabus

- the nature and importance of the master budget
- the components of the master budget
 - operating
 - capital expenditure
 - financial
- purpose and function of cash budgets
 - importance of cash to business viability
 - interpretation of cash budgets
- preparation of cash budgets, including debtors' and creditors' schedules
- purpose and function of budgeted income statement
- preparation of budgeted income statements
- interpretation of budgeted income statement
- difference between cash and accrual performance
- purpose and function of performance reports
- preparation of performance reports for cash budgets and budgeted income statement
- interpretation of performance reports for cash budgets and budgeted income statements
- importance of business planning, including a consideration of:
 - goals, objectives and generic business strategies: cost leadership versus differentiation, strategic initiatives and performance management
 - reducing costs and risks

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BEWA PL 2024

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Budgets test: mapping syllabus dot points and assessment outline

Syllabus

- the nature and importance of the master budget
- the components of the master budget
 - operating
 - capital expenditure
 - financial
- purpose and function of cash budgets
 - importance of cash to business viability
 - interpretation of cash budgets
- preparation of cash budgets, including debtors' and creditors' schedules
- purpose and function of budgeted income statement
- preparation of budgeted income statements
- interpretation of budgeted income statements
- difference between cash and accrual performance
- purpose and function of performance reports
- preparation of performance reports for cash budgets and budgeted income statement
- interpretation of performance reports for cash budgets and budgeted income statements
- importance of business planning, including a consideration of:
 - goals, objectives and generic business strategies: cost leadership versus differentiation, strategic initiatives and performance management
 - reducing costs and risks

Key:
BS1 - BEWA Semester 1 exam
A - ATAR exam

	Master budget		Cash budget				Budgeted income statement			Performance report				Business planning				
	Nature & importance	Components	Purpose & function	Debtors schedule	Creditors schedule	Cash budget	Interpretation	Difference cash v accrual performance	Purpose & function	Budgeted income statement	Interpretation	Purpose & function	Cash budget	Interpretation cash budget	Income statement	Interpretation income statement	Business strategies	Reducing costs/risks
2018		BS1 9				A11-12 BS1 17a		BS1 17d	BS1 2	A18a BS1 17b		A18c BS1 17e	A18bi	A18bii		A18d	BS1 20c-d	
2019	A17c	BS1 6		A17a		A17b	BS1 8	BS1 22a	BS1 17b	BS1 17a		A11 BS1 22b	BS1 17c	BS1 17d			A9 BS1 9, 21a	
2020		BS1 1, 21d	BS1 21e			BS1 16a	BS1 18c	A22d	BS1 14, 20b			A22a				A22b	A10, 22f BS1 20a	A22f
2021	A8	A8							A17b	A17a BS1 16a			BS1 16b	BS1 16b			A22b BS1 6	
2022	BS1 6, 21b	A21a	BS1 11	A18a, BS1 15		A18b BS1 16a	A18c	BS1 10		BS1 16b		A2 BS1 21d	A11				A14	
2023	A21a BS1 20d	A21a BS1 5	BS1 21a	BS1 11	BS1 12	BS1 1			A17b	A17a BS1 1, 17a		BS1 17b	BS1 20a		BS1 2		A9, BS1 21e	A21c

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How to modify a practical question

Change the name of business

Change the time period

Change the name of the location

Change industry e.g. from bikes to clothing

Change some of the cash items

Change some of the figures and recalculate totals

x 2%

Change the order/sequence of the dot points.

Question 1 (22 marks)

Bargain Bikes is a firm making bikes and bike parts for sale to retailers throughout WA. It is keen to break into markets in other states in Australia and is planning an expansion of over the next three months. The accountant has prepared a cash budget for that period which is set out below.

Bargain Bikes	
Cash budget for the period October – December 2025	
Bank balance at start of period	7,150
Estimated receipts	
Cash sales	56,000
Receipts from debtors	83,725
Proceeds of loan	25,000
Proceeds of sale of equipment	1,500
Estimated total cash available	\$173,375
Estimated payments	
Wages and salaries	49,000
Purchases of inventory	72,000
rent	4,500
Other expenses	2,250
Drawings	3,000
Purchase of new plant and equipment	40,000
Estimated total payments	\$170,750
Estimated bank balance at end of period	\$2,625

Additional Information

Prepare a budgeted income statement (unclassified) for Bargain Bikes for the three months ending 31 December 2025, using the additional information, as follows:

- Credit sales are usually received in the month following the sale, less a 1.5% discount to the credit provider deducted from the payment.
- Accounts receivable at 30 September 2025 were \$25,000 and this is expected to rise to \$32,500 by 31 December 2025.
- The annual insurance premium of \$12,000 was paid on 1 July 2025.
- Inventory purchases are paid in the months following purchase. Accounts payable at 30 September 2025 were \$21,000 and this is expected to rise to \$27,500 by 31 December 2025.
- Cost of sales for the period is expected to be \$76,000.
- The loan is expected to be drawn in full at the beginning of November. Interest on this at 9% per annum will be payable quarterly in arrears.
- Depreciation expense is expected to be \$450 per month.
- The equipment to be sold was purchased for \$10,000 and has accumulated depreciation of \$8,000.
- All other expenses are expected to be paid in cash as incurred, and there are no other accruals or prepayments.

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Budgets test – practical question selection

	Master budget		Cash budget				Budgeted income statement				Performance report					
	Nature & importance	Components	Purpose & function	Debtors schedule	Creditors schedule	Cash budget	Interpretation	Difference cash v accrual performance	Purpose & function	Budgeted income statement	Interpretation	Purpose & function	Cash budget	Interpretation cash budget	Income statement	Interpretation income statement
2018		BS1 9				A11-12 BS1 17a		BS1 17d	BS1 2	A18a BS1 17b		A18c BS1 17e	A18bi	A18bii		A18d
2019	A17c	BS1 6		A17a		A17b	BS1 8	BS1 22a	BS1 17b	BS1 17a		A11 BS1 22b	BS1 17c	BS1 17d		
2020		BS1 1, 21d	BS1 21e					A22d	BS1 14, 20b			A22a				A22b
2021	A8	A8							A17b	A17a BS1 16a			BS1 16b	BS1 16b		
2022	BS1 6, 21b	A21a	BS1 11	A18a, BS1 15		A18b BS1 16a	A18c	BS1 10		BS1 16b		A2 BS1 21d	A11			
2023	A21a BS1 20d	A21a BS1 5	BS1 21a	BS1 11	BS1 12	BS1 1			A17b	A17a BS1 1, 17a		BS1 17b	BS1 20a		BS1 2	



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Schedules – converting multiple choice question

Original question

Estimated sales and purchases are as follows:

Month	Sales	Purchases
July	90,000	18,000
August	100,000	26,000
September	88,000	22,000
October	112,000	24,000
November	120,000	16,000

All sales are on credit. 20% are collected during the month of sale, 50% in the month following sale, 20% in the second month following sale and 8% in the third month following sale. The remaining 2% are treated as uncollectable.

The company pays for 80% of purchases in the month of purchase to receive a 2% discount. Remaining purchases are paid in the month following purchase.

11. Total collections from debtors for the month of November is

- (a) \$105,600. **Correct answer A**
- (b) \$24,000.
- (c) \$93,600.
- (d) \$107,600.

12. Total payments to creditors for the month of November is

- (a) \$12,800.
- (b) \$12,544.
- (c) \$17,344. **Correct answer C**
- (d) \$17,600.

1 copy paste into Excel and increase \$ by 2%

Month	Months	Sales	x 2%	Purchases	x 2%
July	Feb	90,000	91,800	18,000	18,360
August	Mar	100,000	102,000	26,000	26,520
September	Apr	88,000	89,760	22,000	22,440
October	May	112,000	114,240	24,000	24,480
November	Jun	120,000	122,400	16,000	16,320

2 change the months

3 change %

All sales are on credit and collected:

- 30% during month of sale
- 40% following month after sale
- 20% second month after sale
- 7% third month after sale
- 3% uncollectable

Purchases paid:

- Within the same month 70%
- Month after purchase 20%
- Remaining amount paid second month after purchase



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Budgets test – cash budget

	Master budget		Cash budget				Budgeted income statement				Performance report					
	Nature & importance	Components	Purpose & function	Debtors schedule	Creditors schedule	Cash budget	Interpretation	Difference cash v actual performance	Purpose & function	Budgeted income statement	Interpretation	Purpose & function	Cash budget	Interpretation cash budget	Income statement	Interpretation income statement
2018		BS1 9				A11-12 BS1 17a		BS1 17d	BS1 2	A18a BS1 17b		A18c BS1 17e	A18bi	A18bii		A18d
2019	A17c	BS1 6		A17a		A17b	BS1 8	BS1 22a	BS1 17b	BS1 17a		A11 BS1 22b	BS1 17c	BS1 17d		
2020		BS1 1, 21d	BS1 21e			BS1 16a	BS1 16c	A22d	BS1 14, 20b			A22a				A22b
2021	A8	A8							A17b	A17a BS1 16a			BS1 16b	BS1 16b		
2022	BS1 6, 21b	A21a	BS1 11	A18a, BS1 15		A18b BS1 16a	A18c	BS1 10		BS1 16b		A2 BS1 21d	A11			
2023	A21a BS1 20d	A21a BS1 5	BS1 21a	BS1 11	BS1 12	BS1 1			A17b	A17a BS1 1, 17a		BS1 17b	BS1 20a		BS1 2	



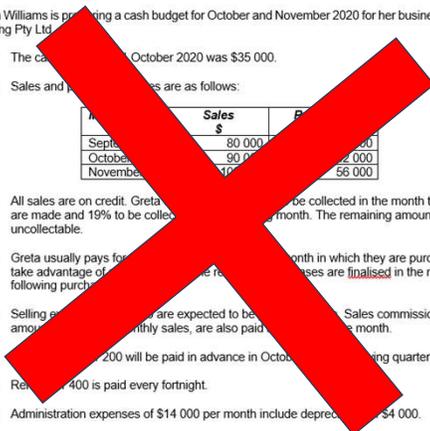
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Cash budget from BEWA exam paper

Question 16 (48 marks)

Greta Williams is preparing a cash budget for October and November 2020 for her business Premier Trading Pty Ltd.

- The cash sales for October 2020 was \$35 000.
 - Sales and purchases are as follows:
- | Month | Sales \$ | Purchases \$ |
|-----------|----------|--------------|
| September | 80 000 | 22 000 |
| October | 90 000 | 22 000 |
| November | 110 000 | 56 000 |
- All sales are on credit. Greta expects 80% to be collected in the month the sales are made and 19% to be collected in the month following. The remaining amount will be uncollectable.
 - Greta usually pays for her purchases in the month in which they are purchased to take advantage of trade discounts. Purchases are finalised in the month following purchase.
 - Selling expenses are expected to be \$5 000 per month. Sales commissions, amounting to 1% of monthly sales, are also paid in the month following.
 - Rent of \$2 800 will be paid in advance in October for the following quarter.
 - Repairs of \$400 is paid every fortnight.
 - Administration expenses of \$14 000 per month include depreciation of \$4 000.
 - Greta intends to purchase new machinery in October at a cost of \$22 000 cash to replace old machinery sold in the same month. The old machinery had cost \$14 000 and on sale date, is estimated to have a carrying amount of \$4 000 and attract a gain on sale of \$3 000.



The new machinery will be financed in part by a \$12 000 loan in October. Repayments of principle and interest amounting to \$1 000 per month will begin in November.

Solution

(a) Prepare a cash budget for the two months of October and November 2020 showing the cash balances at the end of each month for Premier Trading Pty Ltd. (37 marks)

Premier Trading Cash Budget for each of the months of October and November 2020			
	October \$	November \$	Marks
Receipts			
Collections from debtors	87 200	97 100	(4+4)
Proceeds on sale of machinery	7 000		(2)
Loan proceeds	12 000		(1)
TOTAL RECEIPTS	106 200	97 100	
Payments			
Payments to creditors	39 940	48 720	(5+5)
Selling expenses	5 000	5 000	(1)
Sales commission	4 500	5 000	(2+2)
Rent	2 800	2 800	(2)
Advertising	1 200		(1)
Administration	10 000	10 000	(2)
Loan repayment		1 000	(1)
Machinery purchase	22 000		(1)
Wages and salaries	12 000	12 000	(2)
TOTAL PAYMENTS	97 440	84 520	
Budgeted surplus	8 760	12 580	
Opening cash	35 000	49 760	(2)
Closing cash	43 760	56 340	
			37

(b) Calculate the bad debts expense for the two months ending 30 November 2020. (4 marks)

	OCT	NOV
Sept	80000 [1] x 1% [1] = 800	
Oct		90000 [1] x 1% [1] = 900
Total bad debts	800 + 900 = 1 700	

(c) Comment on the management of accounts receivable by Premier Trading Pty Ltd. (4 marks)

- Collections from debtors are good with 80% of credit sales being collected in the month of sale and another 19% in the month after. [1] This reflects sound internal control policies over debtor collection and is a favorable sign for the business [1]
- There is still room for improvement however with bad debts at 1%. [1] Internal controls should include appropriate credit checks so that this percentage may reduce. [1]



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Magic School – changing the names and dates



Clear Inputs ★ Exemplar

Text Rewriter

Take any text and rewrite it with custom criteria however you'd like!

Original Text:

Greta Williams is preparing a cash budget for October and November 2020 for her business Premier Trading Pty Ltd.

Text Rewriter Edit Prompt

Gina Martinez is preparing a cash budget for January and February 2023 for her business Global Imports Inc.

Copy Export Read Aloud More

Could you provide some additional details on the typical cash flow patterns for Global Imports Inc. during those months?

What goals or targets is Gina hoping to achieve with the cash budget for January and February 2023?

rewrite using different names, months and year

Generate

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ChatGPT – creating a new cash budget

How can I help you today?

ChatGPT

Certainly! Here's the cash budget presented in a table format based on the adjusted figures:

Category	Original Amount (\$)	Adjusted Amount (\$)
Receipts		
Collections from debtors	87,200	97,100
Proceeds on sale of machinery	7,000	7,000
Loan proceeds	12,000	12,000
Total Receipts	106,200	116,100
Payments		
Payments to creditors	39,940	48,720
Selling expenses	5,000	5,000
Sales commission	4,500	5,000
Rent	2,800	2,800
Advertising	1,200	1,200
Administration	10,000	10,000
Loan repayment	1,000	1,000
Machinery purchase	22,000	22,000
Wages and salaries	12,000	12,000
Total Payments	97,440	107,720
Budgeted surplus	8,760	8,380
Opening cash	35,000	35,000
Closing cash	43,760	43,380

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Use of AI to generate questions/solutions for ACF



<https://chatgpt.com/>



<https://copilot.microsoft.com/>



<https://app.magicschool.ai/tools>

Magic Tools



AI-Resistant Assignments

Receive suggestions on making assignments more challenging for AI chatbots..



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Rules of AI

- 1 Check for bias and/or inaccuracies and always use teacher judgement on what output is generated
- 2 Get AI to do 80% of the work and 20% teacher work to keep authenticity tailored to your classroom/assessment needs
- 3 Know the AI tools limits
- 4 Privacy



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Cash budget

(a) Prepare a cash budget for the two months of October and November 2020 showing the cash balances at the end of each month for Premier Trading Pty Ltd. (37 marks)

Premier Trading Cash Budget for each of the months of October and November 2020			
	October	November	Marks
	\$	\$	
Receipts			
Collections from debtors	87 200	97 100	(4+4)
Proceeds on sale of machinery	7 000		(2)
Loan proceeds	12 000		(1)
TOTAL RECEIPTS	106 200	97 100	
Payments			
Payments to creditors	39 940	48 720	(5+5)
Selling expenses	5 000	5 000	(1)
Sales commission	4 500	5 000	(2+2)
Rent	2 800	2 800	(2)
Advertising	1 200		(1)
Administration	10 000	10 000	(2)
Loan repayment		1 000	(1)
Machinery purchase	22 000		(1)
Wages and salaries	12 000	12 000	(2)
TOTAL PAYMENTS	97 440	84 520	
Budgeted surplus	8 760	12 580	
Opening cash	35 000	49 760	(2)
Closing cash	43 760	56 340	
			37

(b) Calculate the bad debts expense for the two months ending 30 November 2020. (4 marks)

	OCT	NOV
Sept	80000 [1] x 1% [1] = 800	
Oct		90000 [1] x 1% [1] = 900
Total bad debts	= 800 + 900 = 1 700	

(c) Comment on the management of accounts receivable by Premier Trading Pty Ltd. (4 marks)

- Collections from debtors are good with 80% of credit sales being collected in the month of sale and another 19% in the month after. [1] This reflects sound internal control policies over debtor collection and is a favorable sign for the business. [1]
- There is still room for improvement however with bad debts at 1%. [1] Internal controls should include appropriate credit checks so that this percentage may reduce. [1]



25

New cash budget question

Question

Gina Martinez has prepared a cash budget for January and February 2024 for her business Global Imports Pty Ltd

Global Imports Pty Ltd Cash Budget for each of the months of

	January	February
	\$	\$
Opening cash balance	35,000	
Receipts		
Collections from accounts receivable	87,200	97,100
Proceeds on sale of equipment	7,000	
Loan proceeds	12,000	
Total cash available		
Less Payments		
Payments to accounts payable	39,940	48,720
Insurance	5,000	5,000
Sales commission	4,500	7,000
Rent	2,800	2,800
Advertising	3,200	
General expenses	10,000	10,000
Loan repayment		4,000
Motor vehicle purchase	62,000	
Wages	12,000	22,000
Total cash payments		
Cash surplus/deficit		
Closing cash balance		

Complete the cash budget for January and February 2024. (4 marks)

Cash budget

Question

Gina Martinez has prepared a cash budget for January and February 2024 for her business Global Imports Pty Ltd

Global Imports Pty Ltd
Cash Budget
for each of the months of

	January	February	
	\$	\$	
Opening cash balance	35,000		
Receipts			
Collections from accounts receivable	87,200	97,100	
Proceeds on sale of equipment	7,000		
Loan proceeds	12,000		
Total cash available			
Less Payments			
Payments to accounts payable	39,940	48,720	
Insurance	5,000	5,000	
Sales commission	4,500	7,000	
Rent	2,800	2,800	
Advertising	3,200		
General expenses	10,000	10,000	
Loan repayment		4,000	
Motor vehicle purchase	62,000		
Wages	12,000	22,000	
Total cash payments			
Cash surplus/deficit			
Closing cash balance			

Complete the cash budget for January and February 2024. (4 marks)

Suggested solution

	January	February	marks
	\$	\$	
Opening cash balance	35,000	129,200	(1)
Receipts			
Collections from accounts receivable	87,200	97,100	
Proceeds on sale of equipment	7,000		
Loan proceeds	12,000		
Total cash available	129,200	226,300	(1)
Less Payments			
Payments to accounts payable	39,940	48,720	
Insurance	5,000	5,000	
Sales commission	4,500	7,000	
Rent	2,800	2,800	
Advertising	3,200		
General expenses	10,000	10,000	
Loan repayment		4,000	
Motor vehicle purchase	62,000		
Wages	12,000	22,000	
Total cash payments	139,440	99,520	(1)
Cash surplus/deficit	(10,240)	126,780	(1)
Closing cash balance	129,200	226,300	

Deduct 1 mark for each calculation error.
Do not penalise for reoccurring errors.

26

The anatomy of a marking key

Analytical marking key

1. Describe two possible uses for a company of corporate social disclosure (CSD) reports. (4 marks)

Start the question with a key word from the glossary of key words

Suggested solution

Description	Marks
For each of the two uses (2 uses x 2 marks)	
Describes a possible use for a company of CSD reports	2
States a possible use for a company of CSD reports	1
Total	/4

Answer could include, but is not limited to

- set goals and targets – the company can use these targets to determine if they are meeting their objectives, motivate employees, pay bonuses, determine their areas of success, etc.
- compare their CSD to other businesses or key performance indicators that are available – this may determine areas that need improvement or development
- ascertain if government regulations are being met and take action if necessary
- enhance their relationships with external stakeholders, e.g. clients and shareholders by providing a positive public image of the activities of the company
- reduce costs by identifying and reducing resource use and waste.

Accept any other reasonable answer

Note that the total 4 marks, but in this question, students are asked to describe two possible uses. (2 uses x 2 marks = 4 marks)

Marking key shelves. The higher order shelf is on top and worth 2 marks.

Accept any other reasonable answer. This phrase at the end of each marking key makes an allowance for other correct responses that student may come up with.

27

Glossary of key words

Glossary of key words used in theory questions.

Key (verb) word	Definition	Mark assigned to the key word (verb)
Discuss	Identify issues and provide points for and/or against	4
Evaluate	To ascertain the value or amount of; appraise carefully	3
Explain	Relate cause and effect; make the relationships between things evident; provide why and/or how	3
Comment on	Make reference to and expand upon	2
Describe	Provide characteristics and features	2
Outline	Sketch in general terms; indicate the main features of	2
Identify	Recognise and name	1
Name	Provide a word or term used to identify an object, person, thing, place etc. (Something that is known and distinguished from other people or things)	1
Recommend	Provide reasons in favour	1
State	Express the main points of an idea or topic	1

Note:
Always check the current marking key to see if there is any changes to the pattern.

Top marking key shelf verbs

Bottom marking key shelf verbs

28

Modifying a theory question

Original question
Describe the purpose and two possible functions of performance reports. (6 marks)

New Question
Explain the purpose of performance reports. Describe a function of performance reports that would be useful to management. (5 marks)

Changes to shelves in marking key

Change the key verbs from glossary of key words

Change the marks to reflect the value assigned to the key verb

Description	Marks
Explains the purpose of a performance report	3
Describes the features of a performance report	2
States a fact about the purpose of a performance report	1
Subtotal	3
Describes a function of a performance report that would be useful to management	2
Identifies a function of a performance report	1
Subtotal	2
Total	5

Answer could include:
The purpose of a performance report is to compare the actual performance against the budgeted performance for a period. The differences or variances between the actual performance and budgeted performance are determined.

The functions of a performance report include:

- allow managers to compare and contrast actual with budgeted performance to identify any positive and negative variances and what may be done to improve business performance in the future.
- evaluate the quality of current business plans, e.g. consider the variances and identify possible causes and determine if business goals and targets are being achieved
- assist in determining future plans and actions, including modifying future budgets based on past performances and other information available

Accept any relevant answers.

29

Cash budget

Question
Gina Martinez has prepared a cash budget for January and February 2024 for her business Global Imports Pty Ltd

Global Imports Pty Ltd
Cash Budget
for each of the months of

	January	February
Opening cash balance	\$ 35,000	\$
Receipts		
Collections from accounts receivable	87,200	97,100
Proceeds on sale of equipment	7,000	
Loan proceeds	12,000	
Total cash available		
Less Payments		
Payments to accounts payable	39,940	48,720
Insurance	5,000	5,000
Sales commission	4,500	7,000
Rent	2,800	2,800
Advertising	3,200	
General expenses	10,000	10,000
Loan repayment		4,000
Motor vehicle purchase	62,000	
Wages	12,000	22,000
Total cash payments		
Cash surplus/deficit		
Closing cash balance		

New question
Describe Global Imports cash position and discuss whether they should have purchased the motor vehicle in January.

Description	Marks
Describes Global Imports cash position	2
Makes a general comment about the cash position	1
Subtotal	2
Discusses (points for/against) purchasing the motor vehicle in January	4
Explains (why) Global Imports should purchase the motor vehicle in January	3
Outlines (in general terms) if Global Imports should/should not purchase	2
Identifies if Global Imports should purchase the motor vehicle	1
Subtotal	4
Total	6

(c) Comment on the management of accounts receivable by Premier Trading Pty Ltd. (4 marks)

- Collections from debtors are good with 80% of credit sales being collected in the month of sale and another 19% in the month after. [1] This reflects sound internal control policies over debtor collection and is a favorable sign for the business [1]
- There is still room for improvement, however with bad debts at 1%. [1] Internal controls should include appropriate credit checks so that this percentage may reduce. [1]

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Budgets test – theory

	Master budget		Cash budget				Budgeted income statement				Performance report				Business planning			
	Nature & importance	Components	Purpose & function	Debtors schedule	Creditors schedule	Cash budget	Interpretation	Difference cash v accrual performance	Purpose & function	Budgeted income statement	Interpretation	Purpose & function	Cash budget	Interpretation cash budget	Income statement	Interpretation income statement	Business strategies	Reducing costs/risks
2018		BS1 9				A11-12 BS1 17a		BS1 17d	BS1 2	A18a BS1 17b		A18c BS1 17a	A18bi	A18bii		A18d	BS1 20c-d	
2019	A17c	BS1 6		A17a		A17b	BS1 8	BS1 22a	BS1 17b	BS1 17a		A11 BS1 22b	BS1 17c	BS1 17d			A9 BS1 9, 21a	
2020		BS1 1, 21d	BS1 21e			BS1 16a	BS1 16c	A22d	BS1 14, 20b			A22a				A22b	A10, 22f BS1 20a	A22f
2021	A8	A8							A17b	A17a BS1 16a			BS1 18b	BS1 18b			A22b BS1 6	
2022	BS1 6, 21b	A21a	BS1 11	A18a, BS1 15		A18b BS1 18a	A18c	BS1 10		BS1 16b		A2 BS1 21d	A11				A14	
2023	A21a BS1 20d	A21a BS1 5	BS1 21a	BS1 11	BS1 12	BS1 1			A17b	A17a BS1 1, 17a		BS1 17b	BS1 20a		BS1 2		A9, BS1 21e	A21c

31

Modifying a multiple-choice question

6. Cost leadership is a strategy

(a) to advertise the business prices so customers can
 (b) to position a business as being price sensitive rather
 (c) about differentiating itself from its competitors in the
 (d) to eliminate waste, improve economies of scale and

Question:

Which of the following best defines the strategy of cost leadership in business?

A) A strategy focusing on offering unique and high-quality products or services to justify higher prices.

B) A strategy aimed at achieving the lowest cost of production and distribution within an industry.

C) A strategy that emphasizes aggressive marketing and advertising to capture a large market share.

D) A strategy where a company seeks to differentiate its products through innovation and advanced technology.

Answer:

B) A strategy aimed at achieving the lowest cost of production and distribution within an industry.

Explanation:

Cost leadership is a competitive strategy where a company aims to become the lowest-cost producer in its industry. This allows the company to offer its products or services at lower prices than its competitors, thereby gaining a competitive advantage and potentially capturing a larger market share.

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How to modify a multiple-choice question

For each of the following, select the most appropriate response.

1 Which of the following is **not a function** of a budget?

- (a) aligning the organisation's goals with its daily operations
- (b) aligning the organisation's goals with its competitors
- (c) assist to reveal potential areas of concern
- (d) assist in creating and maintaining financial control and discipline

2 The **purpose of a budget does not generally include**

- (a) reporting to external stakeholders.
- (b) communicating between departments in the organisation.
- (c) motivating staff to reach targets.
- (d) highlight potential areas of concern in advance.

Change the order sequence of the multiple-choice answers (a) to (d)

Change the phrasing by rewording the statements.



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Multiple-choice

Performance reports are prepared primarily to

- (a) motivate employees.
- (b) compare budgeted to actual figures.
- (c) communicate performance to external users.
- (d) identify cash shortages and deficits.

The function of performance reports is to

- a) identify cash shortages and deficits.
- b) report performance to external users.
- c) motivate staff.
- d) compare actual to budgeted amounts.



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Budgeted income statement

Question 18

(41 marks)

The management of S-Bend Plumbing Pty Ltd has provided the following budgeted information for the two months ending 31 August 2020.

S-Bend Plumbing Pty Ltd
Cash budget
for the two months ending 31 August 2020

	May
Opening bank balance	120,000
Estimated receipts	
Cash sales	52,200
Collections from debtors/accounts receivable	10,950
Interest on investments	600
Proceeds from sale of equipment	81,900
Total cash available	265,650
Estimated payments	
Salesperson's salary	3,600
Administration expenses	2,700
Rent	6,000
Freight inwards	3,750
Equipment	108,000
Payments to creditors/accounts payable	34,920
Interest on loan	826
Total payments	159,796
Closing bank balance	105,854

Additional information:

- Sales are 80% cash and 20% credit. Credit terms are strictly 30 days and no discounts are offered.
- All purchases are on credit, with payment being made within 30 days to take advantage of a 5% discount received.
- The closing balance of the cost of sales account for July is anticipated to be \$45,072.
- Equipment was originally purchased for \$330,000 with a carrying amount of \$85,000 at the time of sale.
- Rent is paid quarterly. All other expenses are paid as they are incurred.
- Depreciation on all equipment is expected to be \$1,212 per month.

	May \$
Opening bank balance	122,400
Estimated receipts	
Cash sales	53,244
Collections from debtors/accounts receivable	11,169
Interest on investments	612
Proceeds from sale of equipment	83,538
Total cash available	270,963
Estimated payments	
Salesperson's salary	3,672
Administration expenses	2,754
Rent	6,120
Freight inwards	3,825
Equipment	110,160
Payments to creditors/accounts payable	35,618
Interest on loan	843
Total payments	162,992
Closing bank balance	107,971

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Budgeted income statement

	May \$
Opening bank balance	122,400
Estimated receipts	
Cash sales	53,244
Collections from debtors/accounts receivable	11,169
Interest on investments	612
Proceeds from sale of equipment	83,538
Total cash available	270,963
Estimated payments	
Salesperson's salary	3,672
Administration expenses	2,754
Rent	6,120
Freight inwards	3,825
Equipment	110,160
Payments to creditors/accounts payable	35,618
Interest on loan	843
Total payments	162,992
Closing bank balance	107,971

Additional information:

- Sales are 80% cash and 20% credit.
- All purchases are on credit, with payment being made within 30 days to take advantage of a 5% discount received.
- The closing balance of the cost of sales account for **May** is anticipated to be **\$45,973**.
- Equipment was originally purchased for **\$336,600** with a carrying amount of **\$86,700** at the time of sale.
- Rent is paid quarterly. All other expenses are paid as they are incurred.
- Depreciation on all equipment is expected to be \$1,236 per month.**

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Test compliancy

Assessment type	Assessment type weighting	Assessment task weighting	Start and submission date	Assessment task
Tests	50%	13%	Semester 1 Week 13	Task 3: Test on budgets Practical and theoretical questions drawn from: the nature, importance and components of a master budget, purpose and function of budgets, difference between cash and accrual accounting, business planning, cost leadership and preparation and interpretation of cash budgets (including debtors' and creditors' schedules), budgeted income statement and performance reports for cash budgets and budgeted income statement

Task 3 test is compliant with the Assessment outline weighting at **13%**.

Task 3 test questions are compliant with the Assessment outline content.

ACF – ATAR Year 12
Unit 3 – Task 3

Assessment type: Test

Conditions
Time for the task: 50 minutes under test conditions
Total allocated marks for this task **xx marks**

Task weighting
13% of the school mark for this pair of units



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Test compliancy

Task 3 test is compliant with the school-based assessment table for tests: NO

Tests	Weighting
Students respond to stimuli, such as case studies, financial information and accounting scenarios. They calculate, record, report, analyse, interpret, problem solve and provide recommendations on financial and non-financial information. Formats can include: written or oral response to scenarios, case studies, preparation of financial statements, recommendations, reports or any other form that demonstrate critical analysis and preparation of accounting and finance information. Typically tasks involve a combination of theory and practical questions. Practical questions should represent 60–65% of the mark for tests.	50%

Include more theory questions as per AO:

- Master budgets
- Difference between accruals and cash
- Purpose and function of budgets/performance reports
- Analyse a performance report

ACF 12 assessment tasks				
Task 3 Budgets				
Question number	Practical marks	Theory marks	Total	
1		1	1	
2		1	1	
3		1	1	
4		1	1	
5		1	1	
6	15		15	
7	4	4	8	
8	19		19	
9			0	
10			0	
11			0	
12			0	
13			0	
14			0	
Total marks	38	9	47	
%	81%	19%	100%	



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Assessment type
Project

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Project

Assessment Outline extract

5%	Semester 1 Weeks 8	<p>Task 2: Capital investment decisions/financial principles of asset management Research task based on nature and importance, factors affecting and capital investment decisions, interpretation of capital investment techniques to evaluate capital expenditure and the financial principles of asset management. Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research</p>
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School based assessment table extract

<p>Project Students scrutinise accounting and finance issues, analyse, critique and interpret given situations, examine references and sources, make conclusions and present the results of open-ended or directed tasks. This can <u>involve</u>: researching accounting and finance data; investigating products/services within the accounting and finance area; responding to given scenarios. The project requires students to draw conclusions and make recommendations. Formats can <u>include</u>: scaffolded questions, formal reports, written presentations or multimedia presentations, or a combination of these.</p>	10%
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Project: Part A Research

Accounting and Finance – ATAR Year 12
Unit 3 – Task 2

Assessment type: Project

Conditions

Part A: Research component: two weeks outside of class time (5 marks)

Part B: In-class validation: 50 minutes conducted under invigilated conditions (Research notes **not** allowed) (20 marks)

Total allocated marks for this task: 25 marks

Task weighting 5% of the school mark for this pair of units

Part A: Research component (5 marks)

In preparation to complete the in-class validation component of this task, you are required to research the following areas of the syllabus:

Financial systems and fundamental principles

- the important financial principles of asset management
 - appropriate levels of investment in non-current assets
 - appropriate management of accounts receivable, inventory and cash
 - appropriate management of short and long term debt
 - appropriate level of equity capital
- nature and importance of capital investment decisions
- concept of the time value of money
- interpretation of capital investment/budgeting techniques to evaluate capital expenditure
- factors affecting capital investment decisions, including:
 - consumer preferences
 - competition
 - government regulation

The in-class validation will consist of short and extended answer questions based on some, or all of the content, you are required to research.

Prior to commencing the in-class validation you will need to submit evidence of the research you have conducted, including a bibliography.

You will **not** have access to your research notes during the in-class validation.

Marking key for sample assessment task 2
Unit 3 – Task 2

Part A – Evidence of research (5 marks)

Description	Marks
Locates a variety of relevant resources and uses these to conduct comprehensive research	5
Locates a variety of relevant resources and uses these to conduct mostly comprehensive research	4
Locates a variety of relevant resources and uses these to conduct research	3
Locates relevant resources and uses these to conduct research	2
Locates few relevant resources and uses these to conduct limited research	1
Total	5

Part A: Research component (8 marks)

Description	Marks
Selects appropriate sources and applies correct referencing conventions	2
Selects sources and applies some evidence of referencing	1
Subtotal	2
Organises research notes into a logical sequence	2
Organises research notes with some evidence of a sequence	1
Subtotal	2
Uses appropriate terminology	2
Uses limited terminology	1
Subtotal	2
Uses suitable examples	2
Uses limited examples	1
Subtotal	2
Total	8

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Project: Part A Research

Bibliography

Books

Author	Title of book (in italics)	Year	Publisher	Place of Publication
Yang, Jing	<i>The Art of Scooter Maintenance</i>	2003	Springer Publishing	London, United Kingdom

Articles

Author	"Title of article"	Year	Title of newspaper/magazine (in italics)	Volume	Number	Pages
Jie, Dan	"Miners to get clean energy"	2023	<i>The West Australian newspaper</i>			7
Charlton, Andrew	"Dragon's Tail"	2014	<i>Quarterly Essay magazine</i>	2	54	5-9

Internetsites

Owner of website	"Title of web page" (inverted commas)	Year Published	Title of website (in italics)	Date viewed	Available: URL (web address)
Australian Government	"Business marketing"	2018	Business	24 May 2023	https://business.gov.au/marketing/business-marketing

Video recordings

Title of video	Date of recording	Producer
The Dancing Accountant does Madonna	2014	Sabatmathis

Global Education Website
www.globaleducation.edu.au



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Project – Part B In-class Validation

Part B: In-class validation: 30 minutes conducted under invigilated conditions
(Research notes **not** allowed) (20 marks)

Total allocated marks for this task **20 marks**

Task weighting 5% of the school mark for this pair of units

Part B: In-class validation (20 marks)

Agagile Pty Ltd makes a range of gadgets for the elderly. One year ago the company showcased a new gadget and is currently a leader in the elder care industry. To meet the potential needs of customer orders the company is considering investing in additional manufacturing equipment. The two options available are: Option 1 upgrade existing automated equipment or Option 2 purchase the latest digitally automated equipment. The initial capital expenditure budget limit is \$12 million, and the company has a target discount rate of 9% on capital investments. The company states that the maximum payback period for this investment is 2 years 2 months.

The projected cash flows for Agagile Pty Ltd are:

	Option 1	Option 2
Initial investment: Year 0	\$7,000,000	\$7,000,000
Year 1	Nil	\$5,000,000
Estimated net cash flows (after tax):		
Year 1	\$3,200,000	\$2,000,000
Year 2	\$3,200,000	\$4,000,000
Year 3	\$3,200,000	\$2,500,000
Year 4	\$3,200,000	\$3,600,000
Year 5	\$3,200,000	Nil
Scrap value (Year 5)	\$1,740,000	Nil
Payback period	2 years 3 months	4 years
Net present value	\$4,447,040	(\$1,883,060)



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Project – Part B In-class Validation

Recommend to Agagile Pty Ltd which option to invest in, if any. Justify your choice, making reference to the data available.

Description	Marks
Justifies why Option 1 should be purchased referring to both NPV and Payback period calculations/results	3
Outlines why Option 1 should be purchased referring to NPV or Payback period calculations/results	2
Makes a general comment about NPV or Payback period	1
	Subtotal 3
Recommends Option 1 investment	1
	Total 4

Explain the concept of the time value of money.

Description	Marks
Explains the concept of the time value of money	3
Describes the features of the time value of money	2
States a fact about the time value of money	1
	Total 3

Explain to Agagile Pty Ltd how to maintain appropriate levels of investment in cash and non-current assets.

Description	Marks
For investment in cash and non-current assets (2 x 3 marks)	
Explains how to maintain appropriate levels of the asset referring to Agagile Pty Ltd	3
Outlines how to maintain the asset (internal control)	2
Makes a general statement about maintaining the asset	1
	Subtotal 3
	Total 6



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Project compliancy

Compliance of sample assessment task 2

Task 2 project is compliant with the Assessment outline content and weighting.

Assessment Outline extract

Unit 3 and Unit 4

Assessment type	Assessment type weighting	Assessment task weighting	Start and submission date	Assessment task
Project	10%	5%	Semester 1 Weeks 11	<p>Task 2: Research task based on the on capital investment/budgeting, nature and importance of capital investment decisions, factors affecting capital investment decisions, calculations for capital expenditure using discounted cash flows (net present value only) and payback period and interpretation of capital investment techniques to evaluate capital expenditure and the financial principles of asset management</p> <p>Part A: Evidence of research</p> <p>Part B: In-class validation based on unseen question/s, connected to the content in the research and capital investment /budgeting.</p>



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Alternative topic combinations for assessment



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Alternative combination for Assessment for Year 12 ATAR

Note: this is not an Assessment Outline

Assessment type	Semester	Weighting	Topics/content
Tests 50%	1	11%	Test 1 Cost accounting Cost-volume-profit (CVP)
	1	14%	Task 2: Budgets Capital investment decisions
	2	15%	Task 5: Companies Corporate social disclosure
	2	10%	Task 6: Cash flow statements
Project (10%)	1	5%	Task 5: Insolvency, sources finance, company structures, CSR & ethics Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research
	2	5%	Task 7: Ratio Analysis Purpose of accounting standards Conceptual Framework External audit/auditor Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research
Examination (40%)	1	15%	Task 4 Semester 1 examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus. Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 4–6 questions (70%) Section Three: Extended answer, one question from a choice of two (15%)
	2	25%	Task 8 Semester 2 examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus. Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 4–6 questions (70%) Section Three: Extended answer, one question from a choice of two (15%)
Total		100%	

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Capital investments practical question

Syllabus

- nature and importance of capital investment decisions
- concept of the time value of money
- factors affecting capital investment decisions, including:
 - consumer preferences
 - competition
 - government regulation
- capital investment/budgeting techniques for capital expenditure, limited to calculations for cash flows using straight-line depreciation method only and net of taxation
 - discounted cash flows [net present value (NPV) only]
 - payback period
- interpretation of capital investment/budgeting techniques to evaluate capital expenditure

♦ case study included

MC – multiple choice question

SA – short answer question

EA – extended answer question

Practical question

	Capital budgeting (capital investments)								
	Capital investment decisions		Factors affecting capital investment decisions, including:			Capital investment techniques			
	nature & importance	concept of the time value of money	consumer preferences	competition	government regulation	Net cash flow (NCF)	Net Present Value (NPV)	Payback period	interpretation of capital investment techniques to evaluate capital expenditure
2016			MC 3			17 (e)	17 (a) (b)	17 (c)	SA 17 (d) (f) (g)
2017							18 (a)		SA 18 (b)
2018		MC 1					MC 7	MC 8	
2019			SA 18 (d)	SA 18 (d)	SA 18 (d)		18 (a)	18 (b)	SA 18 (c)
2020	SA 16 (d)						16 (b)	16 (a)	SA 16 (c)
2021			SA 20 (d)	SA 20 (d)	SA 20 (d)	20 (b)	20 (a)		SA 20 (c)
2022			EA 22 (b) ♦	EA 22 (b) ♦	EA 22 (b) ♦		MC 9		EA 22 (a) ♦
2023							16 (a)		SA 16 (b)

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Capital investments practical question

Capital budgeting (capital investments)									
	Capital investment decisions		Factors affecting capital investment decisions, including:			Capital investment techniques			
	nature & importance	concept of the time value of money	consumer preferences	competition	government regulation	Net cash flow (NCF)	Net Present Value (NPV)	Payback period	interpretation of capital investment techniques to evaluate capital expenditure
2016			MC 3			17 (e)	17 (a) (b)	17 (c)	SA 17 (d) (f) (g)
2017							18 (a)		SA 18 (b)
2018		MC 1					MC 7	MC 8	
2019			SA 18 (d)	SA 18 (d)	SA 18 (d)		18 (a)	18 (b)	SA 18 (c)
2020	SA 16 (d)						16 (b)	16 (a)	SA 16 (c)
2021			SA 20 (d)	SA 20 (d)	SA 20 (d)	20 (b)	20 (a)		SA 20 (c)
2022			EA 22 (b) ♦	EA 22 (b) ♦	EA 22 (b) ♦		MC 9		EA 22 (a) ♦
2023							16 (a)		SA 16 (b)



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Capital investments practical question

Question 18 (44 marks)

Joenas Ltd manufactures surfing equipment. The company is considering replacing machinery at its factory with new technology. Management is interested in two different machines ('A' and 'B') to manufacture surfboards.

The initial cost, estimated residual value, running costs and forecast cash inflows from the sale of surfboards are outlined below:

	Timing	Machine A	Machine B
Initial cost	Year 0	\$600,000	\$550,000
	Year 1		\$50,000
Estimated residual value	Year 7	\$40,000	\$0
Estimated annual cash inflows	Year 1	\$200,000	\$210,000
	Year 2	\$200,000	\$210,000
	Year 3	\$200,000	\$210,000
	Year 4	\$190,000	\$210,000
	Year 5	\$190,000	\$210,000
	Year 6	\$190,000	\$210,000
	Year 7	\$190,000	\$210,000
Estimated annual cash outflows			
Insurance		\$32,000	\$27,500
Repairs and maintenance		\$14,500	\$35,000
Rent		\$21,000	\$11,000
Electricity		\$13,000	\$14,500
Cost of capital		7%	7%

Additional information:

- For Machine A, repairs and maintenance expenses will increase by \$10,000 and electricity costs will increase by \$5,000 in Year 5 and remain at this level.
- Management has set the criteria of a payback period of five years for capital investments.

For this link to work you will need to use Chrome web browser. [NPV rate and period generator](https://www.flippity.net/ra.php?k=15WqWzMRsJ8M3D3eA14CAwEGwvK7aPaanHYTxl474U)

NPV discount rate: 8% Number of periods (years): 5 years

10%	7 years
9%	6 years
8%	5 years
7%	4 years
6%	3 years

<https://www.flippity.net/ra.php?k=15WqWzMRsJ8M3D3eA14CAwEGwvK7aPaanHYTxl474U>



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Capital investments practical question

ACCOUNTING AND FINANCE 6 SPECIFICATIONS BOOKLET

flippity Randomizer

Capital investment/budgeting

Net present value (NPV) method (time value of money)

Choose a rate of return

NPV discount rate: 4% Number of periods (years): 2 years

Present value of \$1 at the end of future periods

Periods	2%	3%	4%	5%	6%	7%	8%	9%	10%	12%	14%	16%
1	0.9804	0.9709	0.9615	0.9524	0.9434	0.9346	0.9259	0.9174	0.9091	0.8929	0.8772	0.8621
2	0.9612	0.9426	0.9246	0.9070	0.8900	0.8734	0.8573	0.8417	0.8264	0.7927	0.7665	0.7412
3	0.9423	0.9151	0.8890	0.8638	0.8396	0.8163	0.7938	0.7722	0.7513	0.7118	0.6750	0.6407
4	0.9238	0.8885	0.8548	0.8227	0.7921	0.7629	0.7350	0.7084	0.6830	0.6355	0.5921	0.5523
5	0.9057	0.8626	0.8219	0.7835	0.7473	0.7130	0.6806	0.6499	0.6209	0.5651	0.5194	0.4781
6	0.8880	0.8375	0.7903	0.7462	0.7050	0.6663	0.6302	0.5963	0.5645	0.5000	0.4556	0.4154
7	0.8706	0.8131	0.7689	0.7279	0.6891	0.6527	0.6185	0.5864	0.5563	0.4830	0.4396	0.3996
8	0.8535	0.7894	0.7487	0.7108	0.6744	0.6400	0.6073	0.5763	0.5470	0.4650	0.4226	0.3836
9	0.8368	0.7664	0.7286	0.6934	0.6591	0.6263	0.5950	0.5653	0.5370	0.4470	0.4056	0.3676
10	0.8203	0.7441	0.7089	0.6759	0.6430	0.6113	0.5813	0.5528	0.5256	0.4280	0.3876	0.3507
11	0.8043	0.7224	0.6896	0.6587	0.6276	0.5971	0.5680	0.5401	0.5134	0.4180	0.3786	0.3427
12	0.7885	0.7014	0.6706	0.6414	0.6120	0.5832	0.5556	0.5291	0.5036	0.4100	0.3716	0.3367
13	0.7730	0.6810	0.6520	0.6244	0.5966	0.5693	0.5431	0.5178	0.4933	0.4010	0.3636	0.3297
14	0.7579	0.6611	0.6340	0.6078	0.5812	0.5550	0.5298	0.5053	0.4815	0.3900	0.3536	0.3207
15	0.7430	0.6419	0.6155	0.5900	0.5643	0.5390	0.5141	0.4897	0.4658	0.3750	0.3396	0.3077
16	0.7284	0.6222	0.5966	0.5718	0.5473	0.5230	0.4990	0.4753	0.4520	0.3620	0.3276	0.2967
17	0.7142	0.6030	0.5782	0.5541	0.5303	0.5068	0.4835	0.4605	0.4378	0.3480	0.3146	0.2847
18	0.7002	0.5840	0.5600	0.5366	0.5134	0.4904	0.4676	0.4450	0.4226	0.3330	0.3006	0.2717
19	0.6864	0.5653	0.5420	0.5193	0.4968	0.4744	0.4521	0.4300	0.4081	0.3190	0.2876	0.2597
20	0.6729	0.5557	0.5332	0.5111	0.4891	0.4672	0.4454	0.4237	0.4021	0.3130	0.2826	0.2557
21	0.6596	0.5375	0.5158	0.4943	0.4729	0.4516	0.4304	0.4093	0.3883	0.3000	0.2706	0.2447
22	0.6466	0.5219	0.4999	0.4789	0.4581	0.4373	0.4166	0.3960	0.3755	0.2880	0.2596	0.2347
23	0.6338	0.5067	0.4845	0.4640	0.4437	0.4234	0.4031	0.3829	0.3628	0.2760	0.2486	0.2247
24	0.6212	0.4919	0.4695	0.4504	0.4307	0.4109	0.3911	0.3713	0.3516	0.2650	0.2386	0.2157
25	0.6088	0.4776	0.4551	0.4365	0.4164	0.3963	0.3761	0.3560	0.3360	0.2500	0.2246	0.2027

Choose a time period - Year

<https://www.flippity.net/ra.php?k=15WqWzMR5J8M3D3eAJ4CAwEGwK7aPaanHYTxruI474U>

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Capital investments practical question

New question

	Project X	Project Z
Initial cost (Year 0)	\$612,000	\$561,000
Year 1	\$0	\$51,000
Estimated residual value Year 5	\$40,800	\$0
Estimated annual cash inflows:		
Year 1	\$204,000	\$214,200
Year 2	\$204,000	\$214,200
Year 3	\$204,000	\$214,200
Year 4	\$193,800	\$214,200
Year 5	\$193,800	\$214,200
Estimated annual cash outflows		
Insurance	\$32,640	\$28,050
Maintenance	\$14,790	\$35,700
Rent	\$21,420	\$11,220
Electricity	\$13,260	\$14,790
Discount rate	8%	8%

Additional information:

- For **Project X**, repairs expenses will increase by \$10,200 and electricity will increase by \$5,100 in Year 3 and remain at this level.
- Management has set the criteria of a payback period of **three** years for capital investments.

- Calculate the net present value (NPV) for **Project X**. Round all figures to the nearest dollar. **(17 marks)**
- Calculate the net present value (NPV) for **Project Z**. Round all figures to the nearest dollar. **(7 marks)**
- Calculate the payback period for **Project X**. **(9 marks)**
- Calculate the payback period for **Project Z**. **(4 marks)**
- With reference to your calculations, provide a recommendation to **Joenas Ltd** regarding which machine to invest in. Justify your response. **(3 marks)**

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Year 11 Assessment



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Suggested 8 tasks for ACF ATAR Year 11

Assessment type	Assessment type weighting	Assessment task weighting	When/due date	Assessment task
Tests	50%	10%	Semester 1 Week 7	Task 2: Test on financial statements Practical and theoretical questions drawn from: the elements of financial statements, the purpose of financial statements and manual preparation of financial statements for a sole trader, fundamental concepts and conventions and principles of accounting.
		15%	Semester 1 Week 14	Task 3: Test on general journal, ledger and trial balance Practical and theoretical questions drawn from: the purpose of a trial balance, preparation of a trial balance, calculation of GST and preparation of all general journal and ledger entries, the principles and features of the GST, the impact of GST of legal requirements on small business
		13%	Semester 2 Week 10	Task 6: Test on balance day adjustments, depreciation and disposal of depreciable assets Practical and theoretical questions drawn from: definition and recognition criteria of elements of financial statements as per the Conceptual Framework, the purpose and nature of balance day adjustments and the preparation of general journal, ledger to record balance day adjustments, the nature of depreciation and depreciable assets, determining costs of assets, appropriate method of depreciation, over or under depreciation on sale of asset and the preparation of general journal and ledger entries to record the depreciation and disposal of a single depreciable asset.
		12%	Semester 2 Week 15	Task 7: Test on financial statements including balance day adjustments and ratios Practical and theoretical questions drawn from: classification of elements of financial statements by nature and function and preparation of financial statements, including balance day adjustments, the preparation and interpretation of profitability, liquidity and leverage ratios.
Project	10%	5%	Semester 1 Weeks 5-6	Task 1: Research task based on the characteristics of the main types of small business ownership, advantages and disadvantages of the main types of small business ownership, different types and characteristics of business undertakings, sources of finance other than equity, available to small business, advantages and disadvantages of these sources of finance, factors considered by financial institutions when approving finance, the concept of bankruptcy. Part A: Evidence of research Part B: In-class validation based on unseen question/s connected to the content in the research with access to the research notes during the task
		5%	Semester 2 Weeks 2-3	Task 5: Research task based on the role of professional and financial associations and the nature and purpose of the professional codes of conducts for members, nature, benefits and risks to small business of specified types of electronic processing. Part A: Evidence of research Part B: In-class validation based on unseen question/s connected to the content in the research with access to the limited notes during the task
Examination	40%	15%	Semester 1 Week 16	Task 4: Semester 1 examination – 2.5 hours using a modified examination design brief from the ATAR Year 12 syllabus Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 3-5 questions (70%) Section Three: Extended answer, one question (15%)
		25%	Semester 2 Week 16	Task 8: Semester 2 examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus Section One: Multiple-choice, 15 questions (15%) Section Two: Short answer, 4-6 questions (70%) Section Three: Extended answer, one question from a choice of two (15%)
Total	100%	100%		

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Resources: BEWA Year 11 exams matrix

Topic	2018						2019						2020						2021						2022					
	Unit 1			Units 1-2			Unit 1			Units 1-2			Unit 1			Units 1-2			Unit 1			Units 1-2			Unit 1			Units 1-2		
Q types:	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA	MC	SA	EA			
Business ownership	9, 12	17b-c		12	21a, 22b		2-4		20a-b, 21a-d	11, 15	16d	20a	5, 9, 14	18b-d	20a-b	9	16e		3, 5, 10, 12, 15	18a, 20a	6		20a	2, 9		19c, 19e, 20b, 20f	2	20c, 21a		
Bankruptcy		16c					12	18c	21f	14					20f		16f										14			
CSR		20d, 21e		5, 7				18c							20c-d			21a			19e	13		20c	8, 10		19d, 20c			
Fundamental concepts/principles	2, 4-8, 14	16c, 19c-d		1, 8, 13			5-8	16b-c	20c, 21e	2-4, 9, 13	16a	21a	1, 4, 6-8, 11, 15	18b-d	19a	3-5	18e	21c	2, 4, 6, 9, 13-14	16d, 16d, 20b, 20e	19b, 20b, 20e	1-2, 7, 12		3, 12-14		20a	3, 12, 17c	20a		
Internal control			21a-d	11		22c	10, 14	17e	20f	5		20c			19c-d, 20e	13		20a-b	8		19d, 20d		18b	21d-e	4		19f			
Sources of finance			20a-c	2, 6, 10			1, 11		20d-e			20f	12-13	17c	19f	10	16g	21e	11		19f, 20f		20b	7	18c	19a-b	1	16e	21b	
GST	13	18b					15	16d		6			10	16d		7	16c-d			16d	20c	5			8, 11	17e	4, 13	19b	20b	
Simple financial statements	10, 15	19a-b		3		21b, 22a	13	17a, 18b				21d		17a-b	19e	11-12			7	18a-c			19e			18a-b, 18d				
General journal	3	18a					9	16a, 17b, 17b, 18a, 18a, 19a-b			16c			18b, 18a, 16c		8		1	17a-b			18a				16	17c	19a		
Ledger & trial balance	11	16a-b, 17a		16					7	16b			2-3	16a, 16c		14	16a-b			16a-c				1, 15	17a-b, 17d	9	18b-c			
The Conceptual Framework												20d, 21c			1		21f						11		20d-e, 21c, 21f			17d		
eProcessing					21e					8						20c							10		21b			7, 11		
Professional Associations						21f, 22f				5		21e-f						20e-f					9, 15		21a			15	21d-e	
Balance day adjustments (BDA)				9, 15	18, 20a-b					1, 12	19a, 19d	21b					18a, 18d							17a, 17c-d			6	17a, 18a, 18b		
Depreciation & sale of asset				19	22d-e					10	17					2, 6, 15	17						16	20f			5	16a-c	21c	
Financial statements with BDA					20c-d							19b-c	20b				18b-c							17b				17b, 17e		
Ratios				4, 14	17							18						19					3-4	19a-d, 19f			8			
Inventory methods	1					21c-d		17c				19e	19b											5		20d	10	20e		



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Modifying a Year 11 question

Original question

Question 16 (45 Marks)

Penny Schwartz registered her new business, Schwartz Ceramics, for GST on 5 March 2022.

The following transactions occurred during March 2022:

- March 6 Penny deposited \$50,000 to commence business.
 - 10 Purchased inventory on credit from Italian Tiles for \$5,000, plus GST.
 - 14 Purchased trailer on credit from Trailer Galore for \$1,800, plus GST.
 - 19 Paid wages \$2,000 and phone costs \$650, inc. GST.
 - 28 Cash sale to J Jenkins \$1,100 inc. GST. Cost of sales \$700
Credit sale to SM Low \$1,694 inc. GST. Cost of sales \$800
 - 30 Paid Italian Tiles the amount owing, less 2% discount for payment within 21 days.
 - 31 SM Low returned \$275 inc. GST, due to damaged ceramic tiles. Cost price \$120.
- Received bank interest \$24

Required:

Prepare General Journal entries to record the March transactions. Narrations are required.

Change

- dates and names
- order of the transactions.
- figures by 2%
- question to ledgers



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Modifying a Year 11 question

Original question

Question 18_ (44 Marks)

E-Transportable Services provide the following information as at 15 June 2022:

Accounts Receivable	35,000
Allowance for Doubtful Debts	980
Bad debts	1,070
Utilities	8,000
Hiring Equipment	85,000
Rent	60,000
Loan RTR due 2034	65,000
Capital	190,390
Prepaid Advertising	7,300
GST Payable	65,000
Unearned Fees	130,000
Investments	80,000
Interest on Investments	2,500
Wages	50,000
Cash at Bank	135,000

Transactions for the remainder of June are as follows:

- June 17 Paid 12 weeks of insurance \$3,000, plus \$300 GST.
 21 Paid fortnightly wages \$2,400 in arrears.
 30 Additional bad debts \$1,000.
 Allow for doubtful debts of 2% of Accounts Receivable.
 Advertising incurred \$1,200.
 Fees earned \$125,000.
 Interest is earned on investments is at 5% pa.
 One week's wages are still owing.
 Two weeks of insurance has expired.

- (a) Prepare the General Ledger entries for the remaining June transactions. Enter the required opening balances and then balance required accounts at 30 June 2022. (39 marks)

Change

- dates and names
- order of the transactions.
- figures by 2%
- question to general journal



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Assessment type Examination



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Exam template



Assessment compliance calculator

Assessment type: Exams

Additional information
Questions require the candidate to apply both theory (35–40%) and practical (60–65%) knowledge, understandings and skills.

Section	SUPPORTING INFORMATION
Section One Multiple-choice 15% of the total examination 15 questions Suggested working time: 25 minutes	Questions require the candidate to make simple calculations and/or interpret and respond to stimulus material. Stimulus material can include: extracts from newspaper/journal articles, scenarios, and/or financial extracts and tables.
Section Two Short answer 20% of the total examination 4–6 questions Suggested working time: 120 minutes	Questions can include parts. Questions can require the candidate to: <ul style="list-style-type: none"> • respond to stimulus material which can include: extracts or complete newspaper/journal articles, financial statements, tables, scenarios, case studies and/or other relevant items • make calculations • define, identify, list, describe, explain, predict, prepare and/or evaluate.
Section Three Extended answer 15% of the total examination One question from a choice of two Suggested working time: 35 minutes	The question requires the candidate to write an extended answer in a structured format. The question can be scaffolded. The candidate can be required to prepare, analyse, interpret and/or evaluate financial information.

Structure of this paper

Section	Number of questions available	Number of questions to be answered	Suggested working time (minutes)	Marks available	Percentage of exam %
Section One: Multiple-choice	15	15	25	15	15
Section Two: Short answer	4	4	120	15	20
Section Three: Extended answer	2	1	35	30	15
				Total	100



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Exam template



Assessment compliance calculator

Instructions on how to use exam calculator

Exam calculator

Section	Percentage of exam	Marks available	Student raw mark	Student section %
Section One: Multiple-choice	15%	15	12	12%
Section Two: Short answer	70%	91	48	37%
Section Three: Extended answer	15%	30	0	0%
Totals:		136	60	49%

Calculator instructions:

- 1 Type in the available marks for each section of your exam
- 2 Type in the student raw mark for Section One: Multiple-choice section
- 3 Type in the student raw mark for Section Two: Short answer
- 4 Type in the student raw mark for Section Three: Extended answer
- 5 The calculator will weight the sections and calculate the total marks out of 100%



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Exam results

Example of student exam results



Assessment compliance calculator

Student name	Percentage of exam	Marks available	Student raw mark	Student section %	Student name	Percentage of exam	Marks available	Student raw mark	Student section %	Student name	Percentage of exam	Marks available	Student raw mark	Student section %
Section One: Multiple-choice	15%	15	12	12%	Section One: Multiple-choice	15%	15	12	12%	Section One: Multiple-choice	15%	15	12	12%
Section Two: Short answer	70%	91	48	37%	Section Two: Short answer	70%	91	48	37%	Section Two: Short answer	70%	91	48	37%
Section Three: Extended answer	15%	30	0	0%	Section Three: Extended answer	15%	30	0	0%	Section Three: Extended answer	15%	30	0	0%
Totals:		136	60	49%	Totals:		136	60	49%	Totals:		136	60	49%

Test template Tests Yr 12 Tests Yr 11 Exam template Exam results Schedules schedule S

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Virtual conference bag

In your virtual conference bag there is:

- Budgets exam matrix
- Capital investments exam matrix
- Excel spreadsheet with test compliancy tab
- Incomplete test for budgets
- Incomplete test for capital investments



Budgets example matrix



Capital investment exam matrix



Assessment compliance calculator



Budgets test example incomplete



Capital investments test incomplete

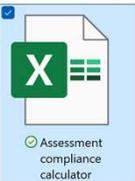
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Activity

Task:

- Using the first Assessment Outline complete the budgets test.

13%	Semester 1 Week 11	Task 3: Budgets Practical and theoretical questions drawn from: the nature, importance and components of a master budget, purpose and function of budgets, difference between cash and accrual accounting, business planning, cost leadership and preparation and interpretation of cash budgets (including debtors' and creditors' schedules), budgeted income statement and performance reports for cash budgets and budgeted income statement
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Assessment compliance calculator



Budgets example matrix



budgets test example incomplete

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Activity

Task:

OR

- Combine both tests (budgets and capital investments) with theory and multiple choice (as per Alternative Assessment Outline)

Alternative combination for Assessment for Year 12 ATAR

Assessment type	Semester	Weighting	Topics/content
	1	11%	Test 1 Cost accounting Cost-volume-profit (CVP)
Tests 50%	1	14%	Task 2: Budgets Capital investment decisions



Budgets example matrix



Capital investment exam matrix



Assessment compliance calculator



budgets test example incomplete



Capital investments test incomplete

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Activity

Task:

Or

- Develop the project: capital investments decisions

5%	Semester 1 Weeks 8	<p>Task 2: Capital investment decisions/financial principles of asset management Research task based on nature and importance, factors affecting and capital investment decisions, interpretation of capital investment techniques to evaluate capital expenditure and the financial principles of asset management. Part A: Evidence of research Part B: In-class validation based on unseen question/s, connected to the content in the research</p>
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Questions?



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