

Exam Practice Guide

Unit 2

Accounting

Examination 2

Key Features:

- ✓ 126 original examination style questions on all examinable topics.
- ✓ Full solutions and a marking guide to all questions.
- ✓ Separated into key topic areas within each Area of Study, enabling students to master one topic at a time.
- ✓ Written by VCE assessors who mark the real examinations.
- ✓ Excellent resource for examination practice.

Helping VCE students be the best they can be.

Copyright © TSSM 2013

TSSM

ACN 099 422 670

ABN 54 099 422 670

A: Level 14, 474 Flinders Street Melbourne VIC 3000

T: 1300 134 518

F: 03 97084354

W: tssm.com.au

E: info@tssm.com.au

CONTENTS

AREA OF STUDY 1: Recording financial data and reporting accounting information

	Page
Topic 1 – Characteristics, Principles and Elements	4
Topic 2 – Price setting strategies	10
Topic 3 – Recording financial transactions and business documents	12
Topic 4 – Balance day adjustments and Accounting reports	24
Topic 5 – Cash versus profit and the two-fold effect of transactions	41

AREA OF STUDY 2: ICT in accounting

Topic 1 – Computerised accounting systems	43
---	----

AREA OF STUDY 3: Evaluation of business performance

Topic 1 – Financial and non-financial indicators	44
--	----

SOLUTIONS	55
------------------	-----------

AREA OF STUDY 1: Recording financial data and reporting accounting information**Topic 1 – Characteristics, Principles and Elements****Question 1**

Referring to the appropriate definition of the accounting elements, **explain** how the Debtors would be classified.

Explanation

3 marks

Question 2

Explain why Fred treats furniture as “Stock of Furniture” as opposed to referring to it as “furniture”.

Explanation

2 marks

Question 3

Explain how it is that a business could be owed cash in relation to GST.

Explanation

2 marks

Question 4

List two purposes for the production of a Debtors Schedule.

2 marks

Question 5

Referring to its classification **explain** how accrued wages would be treated in a Balance Sheet.

Classification
Explanation

3 marks

Question 6

Referring to an accounting principle, **justify** the price you would record the stock on hand as at 30 April 2009 in the balance sheet.

Accounting Principle
Explanation

1 + 2 = 3 marks