



B O A R D O F S T U D I E S
NEW SOUTH WALES

2013

**HIGHER SCHOOL CERTIFICATE
EXAMINATION**

Financial Services

General Instructions

- Reading time – 5 minutes
- Working time – 2 hours
- Write using black or blue pen
Black pen is preferred
- Board-approved calculators may be used
- Write your Centre Number and Student Number at the top of pages 9, 11 and 13

Total marks – 80

Section I Pages 2–6

15 marks

- Attempt Questions 1–15
- Allow about 20 minutes for this section

Section II Pages 9–15

30 marks

- Attempt Questions 16–21
- Allow about 50 minutes for this section

Section III Page 17

15 marks

- Attempt Question 22
- Allow about 25 minutes for this section

Section IV Pages 18–19

20 marks

- Attempt ONE question from Questions 23–25
- Allow about 25 minutes for this section

Section I

15 marks

Attempt Questions 1–15

Allow about 20 minutes for this section

Use the multiple-choice answer sheet for Questions 1–15.

- 1** Which of the following has the greatest responsibility for ensuring a worker returns home from work uninjured?

 - (A) The worker
 - (B) Comcare Australia
 - (C) WorkCover NSW
 - (D) Work Health and Safety consultants

- 2** Which Australian organisation enforces fair trading?

 - (A) ATO
 - (B) ACCC
 - (C) APRA
 - (D) AUSTRAC

- 3** Which of the following documents shows a company's revenue and expenses?

 - (A) A ledger
 - (B) A balance sheet
 - (C) An income statement
 - (D) A supplier statement

4 What are THREE characteristics of effective verbal communication?

- (A) Active listening, technical language and courteous tone
- (B) A courteous voice, low volume and appropriate body language
- (C) Good questioning techniques, active listening and a clear voice
- (D) Technical language, a clear voice and appropriate body language

5 A bookkeeper performed accounting services on credit for a client. The account was paid within the terms of 10 days and the bookkeeper gave the client a discount.

How should the bookkeeper record the payment from the client?

	<i>Debit</i>	<i>Credit</i>
(A)	Cash at bank, Discount allowed, GST Paid (Input taxed)	Accounts payable
(B)	Cash at bank, GST Collected (Payable)	Sales, Discount received
(C)	Accounts receivable, GST Collected (Payable), Discount allowed	Cash at bank
(D)	Cash at bank, Discount allowed, GST Collected (Payable)	Accounts receivable

6 Which category of safety signs has a yellow background with a black triangle in the centre?

- (A) Caution
- (B) Mandatory
- (C) Prohibition
- (D) Security

- 7** Which of the following can assist in avoiding cultural misunderstanding?
- (A) Using industry jargon
 - (B) Speaking with a raised voice
 - (C) Asking only closed questions
 - (D) Clarifying and asking questions
- 8** Which of the following is an example of a special transaction?
- (A) A cheque payment made to a creditor
 - (B) An interest payment that is not overdue
 - (C) The sale of non-current assets at book value
 - (D) The purchase of current assets at book value
- 9** What is the function of consultation in the Work Health and Safety legislation?
- (A) To provide Work Health and Safety training for the workers' representative
 - (B) To ensure timely inspection of accidents and emergencies in the workplace
 - (C) To keep workers involved in decisions affecting their health and safety
 - (D) To determine penalties for businesses breaching duty of care
- 10** A business purchased a new vehicle on 1 October 2012 for \$27 500 (including GST). Its estimated useful life is five years.
- Using the straight-line method, what is the depreciation expense for the vehicle on 30 June 2013?
- (A) \$2500
 - (B) \$3750
 - (C) \$5000
 - (D) \$5500

- 11** What transactions are recorded in the General Journal?
- (A) Goodwill and cash received from all sources
 - (B) Receipts of cash and discounts granted by suppliers
 - (C) Bad debts written off and commencement of a business
 - (D) Customers buying on credit and dishonouring of cheques
- 12** A business has assets of \$45 000, expenses of \$15 000, owners' equity of \$25 000 and revenue of \$20 000.
- What is its liability?
- (A) \$15 000
 - (B) \$20 000
 - (C) \$45 000
 - (D) \$65 000
- 13** Which of the following best illustrates a conflict of interest?
- (A) A business sells its land at a discount.
 - (B) A business plans to use toxic materials in its production process.
 - (C) A loan officer only approves loans to a business run by their family.
 - (D) A manager predominantly employs workers from a particular ethnic background.

- 14 A business has the following trial balance.

Trial balance

<i>Account name</i>	<i>(\$)</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Capital			
Debtors (Accounts receivable)	900		
Sales	800		
Drawings	100		
Wages expense	200		
Interest received	50		
Electricity expense	300		

What is the value of capital based on this trial balance?

- (A) \$450
 - (B) \$650
 - (C) \$750
 - (D) \$1150
- 15 The table shows the selling price and costs of a product.

Selling price per unit	\$20
Variable cost per unit	\$8
Total fixed costs	\$3000

What is the sales income required to achieve a profit of \$1500?

- (A) \$375
- (B) \$950
- (C) \$5000
- (D) \$7500

BLANK PAGE

BLANK PAGE



Financial Services

--	--	--	--	--

Centre Number

Section II

30 marks

Attempt Questions 16–21

Allow about 50 minutes for this section

--	--	--	--	--	--	--	--	--

Student Number

Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.

Question 16 (2 marks)

A work colleague has fallen down a set of stairs and is seriously injured. 2

Outline TWO Work Health and Safety procedures that should be followed.

.....

.....

.....

.....

Question 17 (4 marks)

(a) Identify the skills required for an employee to work effectively in a team. 2

.....

.....

.....

.....

(b) What are the benefits of cultural diversity in the workplace? 2

.....

.....

.....

.....

Question 18 (4 marks)

Distinguish between the rights and the obligations of employees in the workplace.

4

Support your answer with examples.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



--	--	--	--	--

Centre Number

Section II (continued)

--	--	--	--	--	--	--	--	--

Student Number

Question 19 (4 marks)

- (a) Outline TWO reasons why a business should follow sustainable work practices. **2**

.....

.....

.....

.....

- (b) How can technology be used to contribute to sustainable work practices? **2**

.....

.....

.....

.....

Please turn over

Question 20 (4 marks)

A business earns revenue of \$425 000 (excluding GST) from providing services, and the cost incurred in providing these services is \$125 000 (excluding GST).

- (a) What is the Goods and Services Tax (GST) net liability of the business? **1**

.....

- (b) The business borrowed \$115 000 from the bank for the period 1 January 2013 to 30 June 2013. The interest rate was 8% per annum and interest was compounded monthly. The loan structure was interest only. **3**

Calculate the total interest charged. Show all working.

.....
.....
.....
.....
.....
.....
.....
.....
.....



2013 HIGHER SCHOOL CERTIFICATE EXAMINATION

Financial Services

--	--	--	--	--

Centre Number

Section II (continued)

--	--	--	--	--	--	--	--	--

Student Number

Question 21 (12 marks)

Please turn over

Question 21 (12 marks)

- (a) Outline TWO security measures that should be taken when preparing to bank receipts. **2**

.....

.....

.....

.....

- (b) Enter the following transactions for Green Pine Gardening Services into the Cash Receipts Journal. **4**

Green Pine Gardening Services

4/8/13	Gardening work was done for \$99 cash (including GST), receipt no 38.
10/8/13	Credit customer, Haze, settled their account from the previous month of \$132, receipt no 39 for \$121. A discount of \$11 (including GST) was allowed.
11/8/13	Notification was received that the Haze cheque dated 10/8/13 was dishonoured.
28/8/13	Interest of \$5.50 was received from savings account with RMZ Bank.

Cash Receipts Journal

Date	Receipt number	Particulars	Cash at bank	Accounts receivable	GST collected or payable	Discount allowed	Garden work	Interest received

Question 21 continues on page 15

Question 21 (continued)

(c) Complete the Petty Cash Book for Helpful Cleaning.

6

Helpful Cleaning Transactions

1/3/13	Establish petty cash advance	Cheque # 822	\$50.00
4/3/13	Purchase milk, tea and coffee (no GST)	Voucher #1	\$8.20
8/3/13	Purchase stamps for posting (including GST)	Voucher #2	\$33.00
11/3/13	Increase float to \$75.00	Cheque # 845	
23/3/13	Purchase stamps for posting (including GST)	Voucher #3	\$22.00
31/3/13	Reimburse petty cash	Cheque # 861	

Petty Cash Book

Amount received	Voucher/ cheque number	Date	Details	Amount paid	GST paid	Staff amenities	Postage

End of Question 21

BLANK PAGE

Financial Services

Section III

15 marks

Attempt Question 22

Allow about 25 minutes for this section

Answer the question in a writing booklet. Extra writing booklets are available.

In your answer you will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
 - communicate ideas and information using relevant workplace examples and industry terminology
 - present a logical and cohesive response
-

Question 22 (15 marks)

A finance company has decided to expand its financial services business. The company currently has one employee but intends to expand to twelve employees within three months.

Given the expansion, what advice should be provided to the company to ensure that staff work effectively together, comply with relevant workplace procedures and industry standards and implement the necessary accounting and bookkeeping procedures?

Please turn over

Section IV

20 marks

Attempt ONE question from Questions 23–25

Allow about 25 minutes for this section

Answer the question in a SEPARATE writing booklet. Extra writing booklets are available.

Question 23 — Accounting (20 marks)

ABC Bakery operates as a sole trader, providing containers of pancake batter to food outlets for \$220 a container.

- (a) Why would ABC Bakery depreciate its non-current assets? **2**
- (b) Using the table below, extract a fully classified balance sheet for ABC Bakery for the year ending 30 June 2013. **8**

<i>Account name</i>	<i>(\$)</i>
Long service leave	16 000
Debtors (Accounts receivable)	20 500
Motor vehicle	18 000
Accumulated depreciation motor vehicle	14 000
Capital	5 000
Accrued expense for wages	1 000
Allowance for doubtful debts	100
Net profit (already calculated)	2 400

- (c) Explain the purpose of subsidiary ledgers and financial reports in the management of ABC Bakery's financial accounts. **10**

OR

Question 24 — Financial Services (20 marks)

A post office in rural NSW acts as a retail agency for a large bank.

- (a) How could the post office employees ensure that they meet their banking customers' needs? **4**
- (b) Outline the policies and procedures required for the post office to act on behalf of the bank. **4**
- (c) The bank is considering withdrawing from the arrangement as a result of concerns it has about the running of the agency. **12**

Explain the key issues that the post office must address to meet industry concerns in terms of maintaining records, processing payments and managing cash holdings.

OR

Question 25 — Financial Markets and Systems (20 marks)

- (a) What are the regulatory roles of the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA)? **4**
- (b) What are the advantages and disadvantages for a business in obtaining credit? **4**
- (c) Compare the approaches that businesses and individuals take in administering and assessing their taxation liabilities. **12**

End of paper

BLANK PAGE