

LABASA SANGAM (SKM) COLLEGE

YEAR 12 ACCOUNTING

WORKSHEET

Review of Strand 1: Nature of Accounting **Sub Strand** : Nature and Environment of Accounting

Questions:

1. A. Match Column I with Column II

Column I		Column II
1. Understandability		A. Information should not be biased
2. Relevance		B. Information must be capable of making difference
3. Reliability		C. Information must be understandable
4. Neutrality		D. Information given assurance that it is free of errors and bias.

[2mks]

B.1. Explain the term Accounting

[1mk]

2. Why are Trade Union interested in the financial reports of a business.

[1mk]

3. The accounting concept which assumes that business is separate and distinct from its owners is

- A. a matching concept.
- B. a going concern concept.
- C. an accounting entity concept.
- D. an accounting period concept

- (a) Study the statements given in the table and answer the questions that follow.
- (i) The business will continue to operate for indefinite number of years.
 - (ii) The business uses the same depreciation method in 2014 and 2015 to depreciate fixed assets.

Name the relevant accounting concept involved in (i) and (ii) above

	Concept
i.	
ii.	

- (b) State one reason for preparing financial reports.

4. The **main** function of accounting is to provide
- A. ideas that make up broad accounting principles.
 - B. financial information to various parties for decision making.
 - C. information to be used for profit making organisations only.
 - D. accounting information to serve the interests of the owners only.

- (a) Identify the accounting characteristic which best describes each situation given below:
The information presented is complete, without bias or undue error and neutral

- (b) Give one reason why creditors are interested in accounting reports. (1 mark)

5. Accounting is best defined as a process of
- A. recording and summarising financial data.
 - B. assessing the financial performance of the business.
 - C. measuring and writing detailed and timely financial reports.
 - D. measuring, recording and communicating financial information to end users.

6. State two enhancing qualitative characteristics of accounting data.

7. Ravi operates a car dealing business. He imports Toyota vehicles from Japan and records it in Fijian dollars.

Identify the accounting concept being applied by Ravi's business reports.

8. Give one reason why the government may be interested in the accounting reports of a business.

Questions:

1. Which **one** of the following personal source documents will assist an individual to find out his gross salary?

- A. Invoice
- B. Payroll
- C. Pay slip
- D. Tax record

2. An advantage of using credit card over cash payment method is that it

- A. decreases the debt level.
- B. can lead to impulsive buying.
- C. is more convenient and safe method of payment.
- D. is an inexpensive form of financial services by commercial banks.

3. One of the advantages of credit cards is that

- A. customers can buy goods without having cash.
- B. there is no limit to the amount one wants to purchase.
- C. customers can not lose the card as it carries high security.
- D. more interest is charged compared to other forms of credit buying.

3.State **two** advantages of personal filing

4. List **two** electronic financial services provided by Commercial Banks in Fiji.

5. Define online banking .

Questions:

1. Fill in the following table by indicating the differences between Management and Financial accounting.

	Management Accounting	Financial Accounting
Types of reports prepared		
Verification		
Frequency of reports		

1. Describe Fringe Benefit Tax.

2. Rupeni is a resident of Fiji, who owns a house in Navo, Nadi and he plans to sell it to Leone on 30th December, 2018 for \$180 000. Rupeni acquired the house on 1st January 2015 for \$75000.

a. Calculate the gain or loss on disposal of asset?

b. Calculate the Capital Gains Tax. (Assume this was Rupeni's principal place of residence)
