

LABASA SANGAM (SKM) COLLEGE

ACCOUNTING

YEAR 11

WORKSHEET #1

QUESTION 1

GENERAL QUESTIONS
Multiple Choice

1. A personal budget can be described as a
 - A. Summary of all past financial events .
 - B. Financial statement designed to show net worth.
 - C. Mean of providing cash to meet short-term debts.
 - D. Measuring device against which future spending can be monitored.

2. The **external** user who is interested in the rate of return that business will earn currently and in the future is known as
 - A. investors .
 - B. trade union .
 - C. government .
 - D. suppliers .

3. Which branch of accounting is concerned with communicating the relevant and useful information to external parties .
 - A. social accounting .
 - B. forensic accounting .
 - C. financial accounting .
 - D. management accounting .

4. Which of the following business organization is legally obliged to keep proper record?
 - A. Partnerships .
 - B. Sole proprietor.
 - C. Registered companies.
 - D. Unincorporated clubs and societies .

5. Which of the following is a characteristic of accounting data?
 - A. Relevance .
 - B. Disclosure .
 - C. Materiality .
 - D. Conservatism .

QUESTION 2**PERSONAL FINANCE****(9 Marks)****Part A****Personal Budget**

Amal chand earns a wage of \$155.00 per week as a Computer Assistant in an IT Lab. The following are his expenses:

Expenses	\$
Shopping – groceries	70 per month
Travelling	60 per month
Clothes	20 per fortnight
Rent	100 per month
Entertainment	15 per week
Vehicle insurance	1000 per year
Medical	25 per month

Required

- a) Prepare a fully classified monthly budget for Mr Amal Chand
(4 marks)
- b) Identify two challenges faced by an individual who plan to save.
(1 mark)

Part B**Personal Tax****(4 marks)**

Use the tax table given below and your knowledge to answer the questions that follow.

RESIDENT INDIVIDUALS AND RESIDENT INDIVIDUAL TRUSTEES**Year of Assessment 2016 and subsequent years**

Chargeable Income (\$)	Tax Payable (\$)	Social Responsibility Tax (\$)
0- 30000	Nil	
30001 -50000	18% of excess over \$30 000	
50001 – 270000	\$3600 + 20% of excess over \$50 000	
270001 – 300000	\$47600+ 20% of excess over \$270 000	13% of excess over \$270 000
300 001 -350 000	\$53600+ 20% of excess over \$300 000	\$6900+ 14% of excess over \$300 000
350 001 – 400 000	\$63 600 + 20% of excess over \$350 000	\$18 900 + 15% of excess over \$350 000
400 001 – 450 000	\$73 600 + 20% of excess over \$400 000	\$31400 + 16% of excess over \$400 000

1)Mr. Moce is entitled to a salary and other cash benefits. His chargeable income was \$325 000 for the year 2016. He is a Fiji resident and is paid fortnightly. Use the above table to calculate his **PAYE payable** (Tax Payable) for income year 2016.
(1mark)

2)Mr. Lal is entitled to a salary and cash benefits. His chargeable income was \$382 000 for tax year 2016. He is a Fiji resident and is paid monthly. Use the tax table above to calculate his **Social Responsibility Tax (SRT)** for the year 2016. (1mark)

3).Mr Chang is a Fiji resident and works at Courts Fiji Ltd.He is entitled to a salary of \$55000. Due to a major restructure in the business, Courts Fiji Ltd terminated the appointment of Mr. Chang. Mr Chang received a redundancy package of \$75000.**Calculate the amount of tax that Mr. Chang is entitled to pay for the redundancy payments.** (1mark)

4) State **two** circumstances where redundancy payment is not applicable. (1 mark)

QUESTION 3 NATURE OF ACCOUNTING (4 MARKS)

- a. State the function of the **Fiji Tax Agents Board**. (1 mark)
- b. Give one reason why **trade unions** are interested in accounting reports. (1 mark)
- c. Differentiate between **social accounting** and **forensic accounting**. (2 marks)

QUESTION 3 FINANCIAL ACCOUNTING AND ACCOUNTING PROCESS
(21 marks)

PART A BUSINESS OWNERSHIP

a. Complete the table given below in the space provided in the answer book.

	Sole Trader	Public Company
Minimum number of owners	(i)	(ii)
Owners Liability	(iii)	(iv)

(2 marks)

- b. State one legal document required to form a partnership business. (1 mark)
- c. What name is given to owners of a company business? (1 mark)
- d. Briefly explain term **authorized capital**. (1 mark)

PART B ANALYSIS CHART (10 MARKS)

Eric started a Wine and Dine restaurant business on 1st January 2018 in Labasa. Given below are his transaction for the month of January.

Jan 1	Eric commenced business with cash \$20 000 and equipment \$40 000
5	Cash takings for the day \$3 600
14	Bought vegetable supplies worth \$4 500 on account from Wangs farm
18	Eric bought a new Mazda for his business on account from Go Lucky Motors worth \$90 000 and made a down payment of \$20 000

Required

Prepare an analysis chart to show the effects of the above transactions.

(10 marks)

PART C

ANALYSIS CHART

(6 MARKS)

Rahul operates a clothing business known as Remix Clothings. Given below are the transactions for the month of March, 2018.

- March 5 Bought bula shirt for cash \$480.
12 Sold trousers to Timoci for \$50.
15 Issued invoice to John for \$200.
16 Cash sales (shirt) \$150.
18 Purchased bula material worth \$280 from Rups Ltd.
25 John paid his account \$200 in full settlement.
27 Sold bula dress for cash \$170.

Required

Prepare an analysis chart to show the effects of the above transactions.

THE END