

PENANG SANGAM HIGH SCHOOL

YEAR 13

ACCOUNTING

WORKSHEET 1

Questions

Nature of Accounting

- 1) **Define** Conceptual framework.
- 2) What does the acronym **IFRS** stands for?
- 3) Describe the **role** of:
 - i. Fiji Institute of Accountants.
 - ii. International Accounting Standards Board.
- 4) Identify **two** accounting firms in Fiji.
- 5) James Dutt operates a coffee shop in Labasa known as the Classic Coffee Shop. The business was established five years ago and is quite profitable. Given below are some notes written by business accountant to James Dutt. Study the scenarios and answer the questions that follow:

Situation 1: The coffee mixing machine was imported from New Zealand. The cost of the coffee mixing machine was converted into Fijian dollars when recording in the Balance Sheet.

- (a)
 - (i) **Identify** the accounting concept being applied in situation 1.
 - (ii) **Define** the accounting concept identified in situation 1.
 - (iii) The amount reported in the Balance Sheet represents the coffee mixing machines historical cost. Define the historical cost concept.

(b)

Situation 3: A new fan was bought for the staff room costing \$50. The owner identified that the fan was not listed in the assets of the business. Upon clarifying with the accountant, the owner was informed that fan is recorded as revenue expenditure since the amount was not material.

- (i) Which concept has been violated by the accountant in the above situation?
- (ii) **Explain** in detail whether the action taken by the accountant was appropriate or not?

6) **Differentiate between ethics and Fraud.**

7) Describe the **role** of the Accounting profession.

8) State **any two** of the five fundamental principles of ethical code of conduct for professional accountants.

9) List at least **two organisations** that deal with fraudulent acts in Fiji.

10) **Explain** the term whistleblower.

11) Study the case study given below and answer the questions that follow:

The Accounts Clerk (accused) at a Fancy Company Ltd was sentenced for three months. The accused was convicted of one Count of Forgery and one Count of Obtaining Money on Forged Document. The Accounts Clerk had used the letterhead of the company to obtain \$2 595.00. The magistrate stated that the use of the forged document to obtain the money was a serious offence.

The accused was sentenced to three months imprisonment and the balance of 15 months was suspended for three years. The Court also ordered the accused to pay \$2 595.00 as compensation and \$300.00 cost to the Prosecution.

Required:

- a. Identify the **type of fraud** committed by the offender in the situation given.
- b. Discuss **two ways** that can help prevent such offence from taking place.