



### C. Managing Risk and Financial Planning

1. Define **insurance**. (1 mark)
2. Give an example of a method to protect against the following risks:
  - a. theft
  - b. serious illness (2 marks)

### D. Investment in Financial Institutions

1. Shamal is a 21 year old auditor who had just started working this year from January in an accounting firm. He earns \$19 000 per annum.
  - a. Calculate the total Fiji National Provident Fund (FNPF) amount deducted from Shamal's pay for the whole year. (2 marks)
  - b. Calculate the amount of Shamal's savings on retirement. (2 marks)
2. State **one** benefit of a pension scheme. (1 mark)

### E. Financial Planning for the Future: Investment in Action

Read the case study given below and answer the questions that follow:

Leila was a favourite niece as her aunt had no children. When Leila was 18 years old, her aunt died, leaving her \$30 000. Leila did some research on investments. She decided to invest \$10 000 in a successful Fiji Forestry Investment. In addition, she will put a lump sum to kick start her superannuation scheme with FNPF and use the balance to pay for her tertiary education.

1. State **one** factor that influenced Leila's investment decision. (1 mark)
2. List **two** long term benefits of Leila's investment decision. (2 marks)

## SECTION B BUSINESS INFORMATION II

1. Which accounting **characteristic** states that accounting data should be free from biasness?  
A. Neutrality    B. Verifiability    C. Comparability    D. Understandability
2. The **minimum** number of people required to form a co-operative is  
A. 1.    B. 2.    C. 7.    D. 10.
3. Which of the following types of business have **unlimited** liability?  
A. Public Company    B. Private Company    C. Public Enterprise    D. Partnership Business
4. Cash sales of goods is recorded in  
A. Sales Journal.    B. General Journal.  
C. Cash Receipts Journal.    D. Sales Returns Journal.
5. Which of the following is a characteristic of accounting data?
  - A. Conservatism
  - B. Disclosure
  - C. Timeliness .
  - D. Revenue Recognition
6. The accounting concept that allows fair comparison of financial information between two accounting periods
  - a. accounting period concept.
  - b. conservatism concept.
  - c. disclosure concept.
  - d. consistency concept.

7. The type of business entity that has two to twenty-five owners is
  - a. club.
  - b. company.
  - c. partnership.
  - d. sole proprietor.
  - e.
8. Books of First Entry is also known as
  - a. Ledger.
  - b. Journal.
  - c. Final Accounts.
  - d. Source Document.

**A. Business and the Accounting System**

Match the number in Column A with the correct letter in Column B.

Column A	Column B
1. Historical Cost	A. Life of the business is divided into arbitrary time periods to measure profits.
2. Going Concern	B. Costs are matched with related income in an accounting period.
3. Cash Basis	C. Transactions are recorded at original costs.
4. Matching Concept	D. Apply the same accounting methods in each period.
	E. Reports income when they are actually received and expenses when they are incurred.
	F. Business will continue to operate indefinitely in near future.

(4 marks)

**B. Financial Accounting**

Study the figures 1-2 given below and answer the questions that follow.

**Figure 1**

**Wendy's Beauty & Spa**  
 The best body treatments, eyes treatments, facial, laser therapy, nails, SPA, teeth whitening, waxing and many more by one and only Wendy.



**Figure 2**

**Benson & Bevan Associates**  
*Certified Practicing Accountants & Financial Planners*  
 We provide financial and taxation services.

Tax time  
 Need help?



1. Name the type of ownership for Figures 1 and 2. (2 marks)
2. State one advantage of running the business in Figure 1. (1 mark)
3. State one advantage and one disadvantage of business in Figure 2.

## **PART C**

Complete the table given below in the **Answer Booklet**.

	<b>Sole Trader</b>	<b>Partnership</b>	<b>Private Company</b>	<b>Public Company</b>
Number of owners				
One advantage				
One disadvantage				

### **THE ACCOUNTING PROCESS**

2. Mirini Wata operates a grocery business. During the month of April, 2018, the following transactions occurred:

- April 2 Cash sales \$150.  
4 Issued tax invoice to Mohini \$90.  
7 Sold goods for cash to Salesi \$120.  
11 Received rent \$300.  
13 Mohini settled her account in full \$90.  
15 Bought a computer for \$500 cash.  
18 Sold goods on account to Ronesh \$150.  
22 Sold goods on credit to Simla \$70.  
26 Cash sales \$80.

#### **Required**

Use the information given above to prepare:

- a. Cash Receipts Journal (3 marks)  
b. Sales Journal (2 marks)

**THE END**