

**PENANG SANGAM HIGH SCHOOL**

**YEAR 13 ACCOUNTING**

**WORKSHEET 1**

**Conceptual Framework and Accounting Bodies**

(1) Define the following accounting concepts:

- (i) Current Cost Accounting
- (ii) Materiality

(2) State one drawback for each of the following accounting concepts:

- (i) Legal Entity
- (ii) Conservatism

(3) Explain the role of Financial Accounting Standards Board (FASB).

**Ethics and Frauds**

Use the case Study given below to answer the questions that follow:

**Case Study - Fraud**

X was employed by FRCS as an auditor. He created 27 fictitious tax payers and tax identification numbers on FITS. Over a period of four and a half years, bogus tax returns were lodged under the fake TINs with false certification from certain companies for PAYE deductions. X had manipulated the data under false tax payers and enabled tax refunds to be paid to bogus tax payers. X together with his accomplice, Y, collected these refund cheques and cashed them. The significant degree of planning and execution over a long period of time and the fact that the sum of \$117,111.00 was not recovered by FRCS were considered as aggravating factors. X was convicted for two counts of money laundering and was sentenced to six years imprisonment and not eligible for parole until he completes four years and six months imprisonment term.

Note: Real names are not used for confidentiality purpose.

Source: <http://www.fjifiu.gov.fj>

(1) State two unethical practices by X in the case above.

- (2) Name the type of fraud that took place.
- (3) Explain how a whistleblower can assist in identifying frauds in an organisation like FRCS.
- (4) Identify one organisation that deals with fraudulence activities in Fiji.

### **Nature of Partnership Business**

- (1) Define partnership.
- (2) State one reason for forming a partnership business.
- (3) State one advantage of the partnership business over a sole trader.
- (4) Identify one clause in the Partnership Act.

### **Partnership Formation**

- (1) Define the term amalgamation as in the partnership business.
- (2) List two types of partnership formation.
- (3) Define goodwill in a partnership business.