

**PENANG SANGAM HIGH SCHOOL**

**YEAR 12 ACCOUNTING**

**WORKSHEET 1**

**PERSONAL FINANCIAL RECORD KEEPING**

1. 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.
2. Define online banking.
3. State one advantage of performing transactions using online banking rather than visiting a bank
4. State one importance of keeping personal financial records.

**PERSONAL INCOME TAX**

1. List any two categories of taxable fringe benefits received by employees.
2. Study the extract given below and answer the question that follows:

Arieta a resident of Fiji acquired a piece of land for \$80 000 in Suva on 12th February 2012 and she was planning to build a house for rental purpose in later years. However, before she could build a house she got an opportunity to migrate to New Zealand and had to sell the piece of land for \$150 000 on 3rd March 2019. Note that this was her second property.

Calculate the capital gains tax paid by Arieta to the tax department.

**STATEMENT OF AFFAIRS**

Bhavesh is planning to start an Event Decorations & Photography business which will cost \$35 000. He has arranged to see his bank manager to discuss the possibility of getting loan to purchase the necessary equipments for the business. He has been asked to bring to the meeting his most recent financial records. The following information is available relating to his financial status as at 31st August, 2019:

1.

- i. He owns a house with a recent valuation of \$90 000, however he has a mortgage of \$40 000 due on his house.
- ii. Household contents are valued at \$20 000.
- iii. His bank account balance at Bula Bank is \$3 560.
- iv. Land lease due \$200.
- v. Bhavesh got a motor vehicle costing \$12 000.
- vi. Hire purchase installment unpaid by Bhavesh on TV is \$300 to date.

**Required**

- a. Prepare a Statement of Affairs for Bhavesh as at 31st August 2019 to assist him with his loan application.

**NATURE AND ENVIRONMENT OF ACCOUNTING**

- 1. Which one of the following external users of the accounting information is interested to know the debt paying ability of the business?

A. Creditor    C. Government    B. Customer    D. Trade union

- 2. Name the type of report prepared by management accountants.

- 3.

Elisha operates a SuperValue Grocery Store. She records revenues and expenses in the Statement of Financial Performance as they are accrued, earned or incurred and not as they are paid or received.

Name the accounting concept Elisha is applying?

- 4. Define the following enhancing qualitative characteristics of accounting information:

(i) Verifiability

(ii) Timeliness

