

SANGAM SKM COLLEGE – NADI
YEAR 11 ACCOUNTING WORKSHEET - WEEK 2 SOLUTIONS

Date	Questions																																															
31/05/21	<p>Daniel works as an accounts clerk and his pay is \$250 a week. His expenses are as follows</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr><td style="padding: 2px;">Groceries and marketing</td><td style="padding: 2px;">\$50/ month</td></tr> <tr><td style="padding: 2px;">Traveling</td><td style="padding: 2px;">\$18/ week</td></tr> <tr><td style="padding: 2px;">Medical</td><td style="padding: 2px;">\$15/month</td></tr> <tr><td style="padding: 2px;">Electricity</td><td style="padding: 2px;">\$40/month</td></tr> <tr><td style="padding: 2px;">Entertainment</td><td style="padding: 2px;">\$30/month</td></tr> <tr><td style="padding: 2px;">Rent</td><td style="padding: 2px;">\$100/ month</td></tr> <tr><td style="padding: 2px;">Insurance</td><td style="padding: 2px;">\$150/year</td></tr> </tbody> </table> <p><i>Additional Information</i></p> <ul style="list-style-type: none"> Daniel's salary increased by 4% per week Traveling expense decreased to \$16 a week Medical Expenses increased by \$10 per month Daniel has done some gardening so his groceries and marketing expense has reduced by 5%. <p>Required</p> <p>a. Calculate Daniel's total income for the month. (1 mark)</p> <p style="margin-left: 20px;">$250 + (250 \times 4\%) = \\260 per week $260 \times 52/12 = \underline{\\$1\ 126.67}$</p> <p>b. Calculate Daniel's variable and fixed expense for the month. (2 marks)</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr> <th style="padding: 2px;">Variable Expenses</th> <th style="padding: 2px;">Working</th> <th style="padding: 2px;">\$</th> </tr> </thead> <tbody> <tr><td style="padding: 2px;">Groceries and marketing</td><td style="padding: 2px;">$50 - (50 \times .05)$</td><td style="padding: 2px;">47.50</td></tr> <tr><td style="padding: 2px;">Traveling</td><td style="padding: 2px;">$16 \times 52/12$</td><td style="padding: 2px;">69.33</td></tr> <tr><td style="padding: 2px;">Medical</td><td style="padding: 2px;">$15 + 10$</td><td style="padding: 2px;">25.00</td></tr> <tr><td style="padding: 2px;">Electricity</td><td></td><td style="padding: 2px;">40.00</td></tr> <tr><td style="padding: 2px;">Entertainment</td><td></td><td style="padding: 2px;">30.00</td></tr> <tr><td style="padding: 2px;">Total</td><td></td><td style="padding: 2px;"><u>\$211.83</u></td></tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr> <th style="padding: 2px;">Fixed Expenses</th> <th style="padding: 2px;">Working</th> <th style="padding: 2px;">\$</th> </tr> </thead> <tbody> <tr><td style="padding: 2px;">Rent</td><td></td><td style="padding: 2px;">100.00</td></tr> <tr><td style="padding: 2px;">Insurance</td><td style="padding: 2px;">$150/12$</td><td style="padding: 2px;">12.50</td></tr> <tr><td style="padding: 2px;">Total</td><td></td><td style="padding: 2px;"><u>\$112.50</u></td></tr> </tbody> </table> <p>c. Work out the savings or deficit for the month. (1 mark)</p> <p style="margin-left: 20px;">Savings/ Deficit = Income – Expenses $1\ 126.67 - (211.83 + 112.50)$ = <u>\$802.34</u></p> <p>d. Identify one variable expense that cannot be controlled and is unpredictable. Give a reason for your answer. (2 marks)</p> <p style="margin-left: 20px;">Medical Expenses, because you cannot predict when you will need medical attention</p>	Groceries and marketing	\$50/ month	Traveling	\$18/ week	Medical	\$15/month	Electricity	\$40/month	Entertainment	\$30/month	Rent	\$100/ month	Insurance	\$150/year	Variable Expenses	Working	\$	Groceries and marketing	$50 - (50 \times .05)$	47.50	Traveling	$16 \times 52/12$	69.33	Medical	$15 + 10$	25.00	Electricity		40.00	Entertainment		30.00	Total		<u>\$211.83</u>	Fixed Expenses	Working	\$	Rent		100.00	Insurance	$150/12$	12.50	Total		<u>\$112.50</u>
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<p>01/06/21</p>	<p>Zeth as a Supervisor. He earns \$480 per week. He has \$15 000 in fixed deposit for 5 years from which he gets 5% interest per annum. Zeth plans to spend his earnings on his family in the following manner.</p> <table border="1" data-bbox="496 230 1275 595" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Expenses for One Year</th> </tr> </thead> <tbody> <tr> <td>Food</td> <td>37%</td> </tr> <tr> <td>Clothing</td> <td>7%</td> </tr> <tr> <td>Travelling</td> <td>10%</td> </tr> <tr> <td>Medical</td> <td>7%</td> </tr> <tr> <td>Electricity</td> <td>10%</td> </tr> <tr> <td>Rent</td> <td>15%</td> </tr> <tr> <td>Insurance</td> <td>6%</td> </tr> <tr> <td>Entertainment</td> <td>4%</td> </tr> </tbody> </table> <p>a. What is Zeth's total income for the year? Wages: $480 \times 52 = \\$24\,960.00$ Int. on FTD: $15\,000 \times 5\% = \\$750.00$ Total Income = $24\,960 + 750 = \underline{\\$25\,710.00}$ (1 mark)</p> <p>b. Calculate the amount spent, in dollars, on fixed expenses during the year. Rent + Insurance ; $15\% + 6\% = 21\%$ $21/100 \times 25\,710 = \underline{\\$5\,399.10}$ (1 mark)</p> <p>c. Calculate the amount spent, in dollars, on variable expenses during the year. Food + Clothing + Travelling + Medical + Electricity + Entertainment = $37\% + 7\% + 10\% + 7\% + 10\% + 4\% = 75\%$ $75/100 \times 25\,710 = \underline{\\$19\,282.50}$ (1 mark)</p> <p>d. Calculate the amount of savings, in dollars, for one year. (1 mark) Savings = Income – Expenses = $25\,710 - (5\,399.10 + 19\,282.50)$ = <u>$\\$1\,028.40$</u></p>	Expenses for One Year		Food	37%	Clothing	7%	Travelling	10%	Medical	7%	Electricity	10%	Rent	15%	Insurance	6%	Entertainment	4%
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<p>02/06/21</p>	<p>Zackery is a non-resident working in Fiji as a Chief Executive for Star Productions Ltd. His total earnings per annum is \$297,000.</p> <p>a. Calculate the PAYE and SRT payable by Zackery for the year 2020. (2 marks)</p> <p>b. PAYE = $\\$54,000 + 20\%$ of excess over $\\$270,000$ = $54\,000 + (20/100 \times 27\,000)$ = <u>$\\$59\,400.00$</u> SRT = 13% of excess over $\\$270\,000$ = $13/100 \times 27\,000$ = <u>$\\$3\,510.00$</u></p> <p>c. Describe the Pay As You Earn Tax. (1 mark) Tax that is levied on income exceeding $\\$30\,000$</p> <p>d. What is meant by the term Statutory Deduction? (1 mark) This is the compulsory deduction that is mandatory by law</p> <p>e. Differentiate between Primary and Secondary Employment. (2 marks) Primary Employment refers to the main employment whereas Secondary Employment refers to any other employment apart from the main employment</p> <p>f. Identify two penalties charged by the Tax Collecting Department. (2 marks) Late Lodgment Penalty and Late Payment Penalty</p> <p>g. Which government department is responsible for the collection of taxes in Fiji?</p>																		

Fiji Revenue and Customs Services (1 mark)																											
03/06/21	<p>Mr. Mathius is employed by Equip World and Freebies University. He is working full time at Equip World as an internal auditor earning a salary of \$48 000. His secondary employment is as a part-time tutor at Freebies University where he earns \$30 000 per annum.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Tax Deducted at Source</th> <th style="text-align: right;">Amount\$</th> </tr> </thead> <tbody> <tr> <td>Equip World</td> <td style="text-align: right;">6 760</td> </tr> <tr> <td>Freebies University</td> <td style="text-align: right;">4 000</td> </tr> </tbody> </table> <p>Determine the Tax Payable or Refundable for 2019. (Use S Form) (3 marks)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Total Income (48 000 + 30 000)</td> <td style="text-align: right;">78 000</td> </tr> <tr> <td>Less Total Exemptions and Deductions</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Chargeable Income subject to Normal Tax</td> <td style="text-align: right;">78 000</td> </tr> <tr> <td>Normal Tax Payable</td> <td style="text-align: right;">9 200</td> </tr> <tr> <td>Less PAYE deducted at source</td> <td style="text-align: right;">10 760</td> </tr> <tr> <td>Social Responsibility Tax Payable</td> <td></td> </tr> <tr> <td>SRT deducted at source</td> <td></td> </tr> <tr> <td>Tax Refund</td> <td style="text-align: right;">1 560</td> </tr> <tr> <td>Tax Payable</td> <td></td> </tr> </tbody> </table>	Tax Deducted at Source	Amount\$	Equip World	6 760	Freebies University	4 000		\$	Total Income (48 000 + 30 000)	78 000	Less Total Exemptions and Deductions	-	Chargeable Income subject to Normal Tax	78 000	Normal Tax Payable	9 200	Less PAYE deducted at source	10 760	Social Responsibility Tax Payable		SRT deducted at source		Tax Refund	1 560	Tax Payable	
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04/06/21	<p>Refer to Resources I and II to answer the questions that follow.</p> <p>Resource I</p> <div style="border: 1px solid black; padding: 5px;"> <p>Beatrice works at Beautyland Telecommunications. She is entitled to a salary of \$47 000. However, due to some major reconstruction of the business, her employment was terminated. Beatrice received a redundancy package of \$80 000.</p> </div> <p>Resource II</p> <div style="border: 1px solid black; padding: 5px;"> <p>Redundancy Payment Tax Assessment: Tax on any amount in excess of \$15 000 at the rate of 15%</p> </div> <p>Required:</p> <ol style="list-style-type: none"> Assess the amount of tax that Beatrice is entitled to pay for the redundancy payment $80\ 000 - 15\ 000 = 65\ 000 \times 15\%$ $= \underline{\\$9\ 750.00}$ (1 mark) Define Redundancy Payment (1 mark) <i>Refers to the bona fide lump sum payment received upon termination of employment</i> List two circumstances where redundancy payment is not applicable <i>Payments made upon lay-off of seasonal employees/ Payments made upon completion of a fixed term engagement or upon completion of work specified in a contract/ Any contractual payments upon completion of contract/ Any gratuity payment/ Payments on retirement/ Payments considered excessive.</i> (2 marks) 																										