

Draft Assessment

Unit of Competency Details

Code	Title
FNSACC312	Administer subsidiary accounts and ledgers

Course and Module Details

Assessments may be published in more than one course.

Course Code (UPed)	Module Number (Order)	Module Code (UPed)
SUT4001A	6	M00081

Assessment Task

Number	Title
1	Knowledge based Questions

Section 1 – Assessment Task Overview and Description

Assessment Method: Choose an item. Choose an item. Choose an item.

Short answer questions. Students will be taken through a series of 11 questions that they must answer correctly using their own words.

Tables or boxes are provided after each question for students to provide answers.

The following attachment is provided for this assessment:

- Mel's Makeup Finance Policy and Procedures Manual

The following legislation and regulations have been referenced in this assessment:

- *The Bankruptcy Act 1966*
- *A New Tax System (Goods and Services Tax) Act 1999*
- *Competition and Consumer Act 2010*
- Australian Competition & Consumer Commission (ACCC) – Debt Collection

- *Corporations Act 2001 (Corporations Act)*

The following codes of practice are referenced in this assessment:

- *Australian Collectors & Debt Buyers Association (ACDBA) Code of Practice*
- *ePayments Code*
- *Banking Code of Practice*

Section 2 - Assessment Task Criteria and Outcome

This assessment will be graded as Satisfactory (S) or Unsatisfactory (US).

To achieve Satisfactory, valid, sufficient, authentic, and current evidence of meeting the criteria must be submitted.

Refer to the mapping spreadsheet for this unit.

Section 3 - Assessment Task Submission Instructions

Submission Details	Once a student has signed into the secure LMS platform with their personal login details. Students will download the assessment document, answer all questions, save as a PDF, upload the completed assessment, and submit it for marking.
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Summary of Evidence [Submission item checklist]

A satisfactory grade will be applied when all of the required evidence listed has been assessed as satisfactory. Failure to submit all required evidence will result in an unsatisfactory grade and will count as a submission attempt. All learners have a total of 3 attempts to achieve a satisfactory outcome.

1	Respond to all questions in the space provided
2	
3	
4	
5	

Section 4 – Assessment

Note: Instructions will be added directly into the LMS for students. This template is for drafting, development, and review stages only. Any associated files will be accessed via the LMS, as will any Assessor Guides, Matrix, Templates etc. Students and Assessors have restricted permissions in the LMS. Assessor Guides, including model answers, will be available to Assessors ONLY. Please refer to Section 2 and Section 3 to confirm how the assessment tools will be built and the methods that will be used to collect evidence, i.e., Student's will type answers directly into LMS or will upload files of completed assessment tasks.

The following pages contain the draft assessment and marking guide, which will be built into the LMS once reviewed.

It includes:

- Instructions to students
- Instructions to assessors
- Sample answers / Examples of benchmark
- Questions / Tasks
- Templates / Tables where applicable
- Links to supporting files / Websites

Question 1

In the table below, list two [2] roles of debits and two [2] roles of credits in the accounting system.

Marking guide

Students must list two [2] roles of debits and two [2] roles of credits in the accounting system.

Responses must include any two [2] of the following roles of debits and any two of the following roles of credits.

	Two roles in accounting systems
Debit	<p><i>An entry that marks an increase in an asset</i></p> <p><i>An entry that marks an increase in an expense</i></p> <p><i>An entry that marks a decrease in a liability</i></p> <p><i>An entry that marks a decrease in revenue</i></p> <p><i>An entry that marks a decrease in owner's equity</i></p>
Credit	<p><i>An entry that marks a decrease in an asset</i></p> <p><i>An entry that marks a decrease in an expense</i></p>

	<p><i>An entry that marks an increase in a liability</i></p> <p><i>An entry that marks an increase in revenue</i></p> <p><i>An entry that marks an increase in owner's equity</i></p>
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Question 2

In the table below, list two [2] key features of debits and two [2] key features of credits.

Marking guide	
<p><i>Students must list two [2] key features of debits and two [2] key features of credits.</i></p> <p><i>Responses must include any two [2] of the following key features of debits and any two of the following key features of credits.</i></p>	
	Two key features
Debit	<p><i>Debits are always entered on the left side of the ledger</i></p> <p><i>Commonly abbreviated as dr or Dr</i></p> <p><i>Assets have a debit balance by default</i></p> <p><i>Expenses have a debit balance by default</i></p>
Credit	<p><i>Credits are entered on the right side of the ledger</i></p> <p><i>Commonly abbreviated as cr or Cr</i></p> <p><i>Revenue has a credit balance by default</i></p> <p><i>Liabilities have a credit balance by default</i></p> <p><i>Owners' equity has a credit balance by default</i></p>

Question 3

Use the space provided in the table below to describe the procedure for identifying bad or doubtful debts. [Response length approximately 60 words]

Marking guide

Students are required to use the space provided in the table below to describe the procedure for identifying bad and doubtful debts. Student's responses must include the following as a minimum: [Response length approximately 60 words]

- *Check and reconcile payments.*
- *Identify and investigate discrepancies between monies owed and monies paid.*
- *Regularly monitor the collection periods to determine which clients have made timely payments.*
- *If the client no longer meets the payment terms, determine if the debt can still be recovered or must be written off.*
- *Prepare a debt recovery plan, if feasible.*

Question 4

Use the space provided in the table below to briefly describe the key requirements relating to subsidiary accounts and ledgers for each piece of legislation or regulation listed.

[Response length approximately 120 words for each piece of legislation or regulation]

- The Bankruptcy Act 1966 - Discharging unmanageable debts*
- A New Tax System (Goods and Services Tax) Act 1999*
- Australian Competition & Consumer Commission (ACCC) – Debt Collection*
- ASIC's Regulatory Index – What books and records should my company keep? [Corporations Act 2001]*

Marking guide

Students are required to use the space provided in the table below to describe the key requirements relating to subsidiary accounts and ledger for each listed piece of legislation or regulation. [Response length approximately 120 words for each listed piece of legislation or regulation].

Legislation or Regulation	Key requirements relating to subsidiary accounts and ledgers

<p>a. <i>The Bankruptcy Act 1966 - Discharge unmanageable debts</i></p>	<p><i>Insolvent persons have legal alternatives to address their personal insolvency under The Bankruptcy Act 1966, including bankruptcy, debt arrangements, and personal insolvency agreements:</i></p> <ul style="list-style-type: none"> • <i>temporary debt protection is a 21-day protection period from being pursued by unsecured creditors while you seek help and decide how to proceed.</i> • <i>bankruptcy is a legal procedure in which you declare bankruptcy, or a judge deems you bankrupt for failing to pay your debts</i> • <i>debt agreements provide insolvent persons with little to moderate debt, assets, and income a viable alternative to bankruptcy while still delivering a payment to creditors</i> • <i>personal insolvency agreements are legally enforceable agreements between a debtor and their creditors, and they can be a flexible approach to pay debts without going bankrupt.</i> <p>Source 2021. [online] Available at: <https://www.afsa.gov.au/insolvency/cant-pay-my-debts/what-are-my-options> [Accessed 19 November 2021].</p>
<p>b. <i>A New Tax System (Goods and Services Tax) Act 1999</i></p>	<p><i>The A New Tax System (Goods and Services Tax) Act 1999 legislates who must register for GST and how they must account for it.</i></p> <p><i>Businesses and other organisations registered for GST must:</i></p> <ul style="list-style-type: none"> • <i>include GST in the price they charge for their goods and services</i> • <i>claim credits for the GST included in the price of goods and services they buy for their business</i> • <i>Issue tax invoices for taxable sales and obtain a tax invoice for all business purchases</i> • <i>Report their GST to the Australian Taxation Office (ATO) by lodging an activity statement.</i> <p>Source Ato.gov.au. 2021. GST. [online] Available at: <https://www.ato.gov.au/Business/GST/> [Accessed 19 November 2021].</p>

<p>c. Australian Competition & Consumer Commission (ACCC) – Debt collection</p>	<p><i>Debts in relation to the provision of goods and services other than financial services will fall within the jurisdiction of the ACCC.</i></p> <p><i>If a debtor does not pay, you can contact them to request payment by letter, telephone or in-person. You must do this during normal business hours and not threaten, harass, or physically intimidate the debtor.</i></p> <p><i>Consider negotiating a payment plan and do not do more work for or supply more goods to the debtor until they pay the outstanding invoice.</i></p> <p><i>You cannot take or sell any of the debtor's property unless you have a court order.</i></p> <p>Source 2021. [online] Available at: https://www.accc.gov.au/system/files/Debt%20collection%20guideline%20for%20collectors%20and%20creditors%20-%20April%202021.pdf [Accessed 19 November 2021].</p>
<p>d. ASIC's Regulatory Index – What books and records should my company keep? Corporations Act 2001 [Corporations Act]</p>	<p><i>By law, you must keep certain records that document and explain all the transactions for your business. These records should include all documents that you use to explain the financial position and performance of the company.</i></p> <p><i>Financial records must be kept for seven (7) years and can include:</i></p> <ul style="list-style-type: none"> • <i>sales and debtor records</i> • <i>invoices and statements received and paid</i> • <i>any unpaid invoices</i> • <i>cash records, including cash receipts, records of bank deposits and cheque butts</i> • <i>working papers and other financial documents</i> • <i>general ledgers and journals.</i> <p>Source Asic.gov.au. 2021. <i>What books and records should my company keep? ASIC - Australian Securities and Investments Commission.</i> [online] Available at: https://asic.gov.au/for-business/running-a-company/company-officeholder-duties/what-books-and-records-should-my-company-keep/ [Accessed 19 November 2021].</p>

Question 5

Use the space provided in the table below to briefly describe the key requirements of legal guidance, according to the publication *Debt collection guideline: for collectors and creditors* by the ACCC and ASIC for:

- a. hours of contact
- b. frequency of contact
- c. location of contact

[Response length approximately 65 words for each key requirement].

Marking Guide																					
<p><i>Students are required to use the space provided in the table below to describe the legal guidance on when, how often and where, contact with a debtor can be made according to the publication <i>Debt collection guideline: for collectors and creditors</i> by the ACCC and ASIC. [Response length approximately 65 words for each key requirement]</i></p>																					
Key requirement	<p>Legal guidance for debt collectors and creditors [Approximately 65 words for each key requirement]</p>																				
a. Hours of contact	<p><i>Students' response must include the following as a minimum:</i> <i>Contact with a debtor or a third party must be made at reasonable hours, considering their circumstances and reasonable wishes.</i></p> <p><i>Students' response may also include the following, however this is not necessary to be deemed as meeting the requirements:</i> <i>The following can be assumed to be an appropriate contact times, subject to the qualifications set out.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 40%; text-align: center;"><i>Day</i></th> <th style="width: 50%; text-align: center;"><i>Time</i></th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;"><i>Contact by telephone</i></td> <td style="text-align: center;"><i>Monday to Friday</i></td> <td style="text-align: center;"><i>7.30 am to 9 pm</i></td> </tr> <tr> <td style="text-align: center;"><i>Weekends</i></td> <td style="text-align: center;"><i>9 am to 9 pm</i></td> </tr> <tr> <td style="text-align: center;"><i>National public holidays</i></td> <td style="text-align: center;"><i>No contact recommended</i></td> </tr> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;"><i>Face-to-face contact</i></td> <td style="text-align: center;"><i>Monday to Friday</i></td> <td style="text-align: center;"><i>9 am to 9 pm</i></td> </tr> <tr> <td style="text-align: center;"><i>Weekends</i></td> <td style="text-align: center;"><i>9 am to 9 pm</i></td> </tr> <tr> <td style="text-align: center;"><i>National public holidays</i></td> <td style="text-align: center;"><i>No contact recommended</i></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><i>All workplace contact</i></td> <td colspan="2" style="text-align: center;"><i>Debtor's normal working hours if known, or 9 am to 5 pm on weekdays</i></td> </tr> </tbody> </table>		<i>Day</i>	<i>Time</i>	<i>Contact by telephone</i>	<i>Monday to Friday</i>	<i>7.30 am to 9 pm</i>	<i>Weekends</i>	<i>9 am to 9 pm</i>	<i>National public holidays</i>	<i>No contact recommended</i>	<i>Face-to-face contact</i>	<i>Monday to Friday</i>	<i>9 am to 9 pm</i>	<i>Weekends</i>	<i>9 am to 9 pm</i>	<i>National public holidays</i>	<i>No contact recommended</i>	<i>All workplace contact</i>	<i>Debtor's normal working hours if known, or 9 am to 5 pm on weekdays</i>	
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<p>b. Frequency of contact</p>	<p>Students' response must include the following as a minimum: <i>Debtors and third parties have the right to be free of collectors' excessive communications. Communications must always be for a good cause and should only be used when absolutely required. However, some statutory notices must be sent to a particular address.</i></p> <p>Students' response may also include the following, however this is not necessary to be deemed as meeting the requirements: <i>References to the number of debtor contacts should be interpreted as the number of contacts per account, not per individual debtor. If the contact is for more than one account, it may be appropriate to have a greater total degree of contact with the debtor. Collectors should, however, attempt to address several accounts with a debtor during a single call if practicable.</i></p>
<p>c. Location of contact</p>	<p>Students' response must include the following as a minimum: <i>In most situations, the debtor's home is the best location to reach them, with letters or phone calls being the most effective method of communication. If a debtor gives a phone number (including a mobile phone) as a method of communication, contact can be made using that number regardless of the debtor's location.</i></p> <p>Students' response may also include the following, however this is not necessary to be deemed as meeting the requirements: <i>Sometimes a debtor may or may not want to be approached at their residence. The debtor should not be approached at their house if they give an alternate and acceptable location for communication and can be reached there.</i> <i>You should carefully consider if calling the debtor at work via a switchboard or reception (rather than the debtor's direct work phone number) is acceptable and whether there are better choices available. When contacting a debtor at work, the debtor should be given the option of providing an alternate phone number to get a call back at a more convenient time or naming a representative.</i></p>

Question 6

Use the space provided in the table below to briefly describe the key requirements of the following industry codes of practice:

- a. Australian Collectors & Debt Buyers Association (ACDBA) Code of Practice – communications
- b. ePayments Code - Objectives
- c. Banking Code of Practice – Chapter 34 Cancel a direct debit or advise of a problem with a direct debit

[Response length approximately 160 words for each industry code of practice]

Marking Guide

Students are required to use the space provided in the table below to describe the key requirements of the three listed industry codes of practice.

[Response length approximately 160 words for each industry code of practice]

Industry Codes of Practice	Key requirements
a. ACDBA Code of Practice – communications	<p><i>Students' response must include the following as a minimum:</i></p> <p><i>Australian Collectors & Debt Buyers Association will:</i></p> <ul style="list-style-type: none"><i>• Communicate with You (the debtor) or Your representative in a courteous and respectful manner using plain language</i><i>• Respond to You (the debtor) or Your representative's requests for information in a legal, timely and reasonable manner or as agreed</i><i>• Take reasonable steps to ensure the person We contact is the customer or the customer's authorised representative</i><i>• Communicate with You (the debtor) at reasonable times and intervals, taking into account where possible Your preferred method of communication and if face-to-face, Your preferred place of communication</i><i>• Ensure You (the debtor) are made aware of Our opening hours and contact details to assist You in contacting Us</i><i>• Take reasonable steps to ensure that the address used in Our communications to You (the debtor) (whether written, by telephone, email or text) is verified as correct and not normally shared by other people (such as a business email address) before We communicate with You</i> <p>Source 2020. Code of Practice. 2nd ed. [PDF] Waratah: Australian Collectors and Debt Buyers Association, pp. 8. Available at: <https://www.acdba.com/images/acdba/ACDBA-Code-of-Practice-Jan20.pdf> [Accessed 19 November 2021].</p>

<p>b. ePayments Code - Objectives</p>	<p>Students' response must include the following as a minimum:</p> <p><i>The objectives of this Code are to provide:</i></p> <p><i>[a] a quality consumer protection regime for payment facilities,</i></p> <p><i>[b] a framework to promote consumer confidence in electronic banking and payment systems,</i></p> <p><i>[c] effective disclosure of information, to enable consumers to make informed decisions about facilities,</i></p> <p><i>[d] clear and fair rules for allocating liability for unauthorised transactions,</i></p> <p><i>[e] effective procedures for resolving complaints, and</i></p> <p><i>[f] a regime that is flexible and accommodates providers of new payment facilities.</i></p> <p>Download.asic.gov.au. 2021. [online] Available at: <https://download.asic.gov.au/media/3798588/epayments-code-corrected-october-2011.pdf> [Accessed 19 November 2021].</p>
<p>c. Banking Code of Practice – Chapter 34 Cancel a direct debit or advise of a problem with a direct debit</p>	<p>Students' response must include the following as a minimum:</p> <p><i>Chapter 34 - What we will do when you ask to cancel a direct debit or advise us of a problem with a direct debit</i></p> <p><i>135. You can ask us to cancel your direct debit request, and we will promptly process this.</i></p> <p><i>136. You can ask us to investigate an unauthorised direct debit, and we will act promptly to assist you.</i></p> <p><i>137. When we handle your cancellation or complaint, we will not inform you that you should first raise the cancellation or complaint directly with the merchant you pay through the direct debit. However, we may suggest that you also contact that merchant.</i></p> <p>Bankingcode.org.au. 2021. [online] Available at: <https://bankingcode.org.au> [Accessed 22 November 2021].</p>

Question 7

A small claim is an amount up to \$25,000 depending on the State or Territory in which the legal action is conducted.

List the court/s that deals with small claims specific to your state/territory, and in your own words, describe the methods of enforcement they apply to.

Marking Guide

Students are required to use the space provided in the table below to identify the avenue through which they can commence a small claim debt recovery proceeding in their state or territory and the court's methods of enforcement.

Students responses must be consistent with the characteristic answers below.

State	Where to commence debt recovery proceedings	Enforcement
ACT	ACT Civil and Administrative Tribunal (ACAT) – Disputes about contract, goods and debt. Claims up to \$25,000.	<p>An ACAT order is treated as an order filed in the Magistrates Court and can be enforced under the rules of that Court.</p> <p>ACAT can make a monetary or non-monetary order. The order may require one or more parties to:</p> <ul style="list-style-type: none"> • pay money • do something • stop acting in a particular way. <p><u>Civil disputes - ACAT [act.gov.au]</u></p>
NSW	NSW Civil & Administrative Tribunal (NCAT) can decide disputes between consumers and businesses, up to the value of \$40,000, about the supply of goods or services in NSW.	<p>NCAT can make the following orders about a consumer claim under Part 6A of the Fair Trading Act 1987:</p> <ul style="list-style-type: none"> • an order for money to be paid • an order that money owed does not have to be paid • an order for goods or services to be provided • an order to fix or replace faulty goods • an order for a refund and the goods to be returned. <p><u>Consumer claims [nsw.gov.au]</u></p>
NT	Northern Territory Civil and Administrative Tribunal (NTCAT) – claims \$25,000 or less.	<p>NTCAT makes decisions in accordance with the law.</p> <p>An order will accompany an NTCAT decision. There are two types of final orders that NTCAT can make under the Northern</p>

		<p><i>Territory Civil and Administrative Tribunal Act:</i></p> <ul style="list-style-type: none"> • <i>a monetary order which means a party must pay another party money (usually the order will require payment by a date given in the order); and</i> • <i>any other type of order (see section 84A of the Act). Non-compliance with such an order is an offence under section 84B of the Act.</i> <p><i>NTCAT does not enforce its final orders.</i></p> <p><i>The person in whose favour a final order is made (usually the applicant) may enforce the order by registering it with the Local Court.</i></p> <p><u><i>NTCAT Northern Territory Civil and Administrative Tribunal</i></u></p>
<i>QLD</i>	<i>Queensland Civil and Administrative Tribunal (QCAT) deal with disputes with another person, business or company about a fixed or agreed sum of money, valued up to and including \$25,000.</i>	<p><i>At the end of a proceeding, the tribunal makes a final decision, or the parties can reach an agreement. The decision may include an order for one or all parties to do something or stop acting in a particular way.</i></p> <p><i>If the other party does not comply with a tribunal order to pay money, do or cease doing an act, you can enforce the order.</i></p> <p><i>In Queensland, enforcement proceedings are decided in the courts, and the type of order you wish to enforce, be it monetary or non-monetary, determines the court to which you apply.</i></p> <p><i>You have six years to enforce your order pursuant to the Uniform Civil Procedure Rules 1999.</i></p> <p><u><i>Enforcing a QCAT decision Queensland Civil and Administrative Tribunal</i></u></p>
<i>SA</i>	<i>Civil claims can be made in the Supreme Court or the District Court regardless of the amount claimed</i>	<i>In a civil matter, a judicial officer can make a decision (known as a judgment), telling one party (the debtor) to pay money to the other party (the creditor). If the debtor does</i>

		<p>not pay, the creditor can apply to the Court to enforce the debt.</p> <p>The Court does not automatically enforce civil judgments. If you are the creditor and want to enforce a judgment, you must request an Investigation or Examination summons.</p> <p><u>Enforcement of a civil debt - CAA [courts.sa.gov.au]</u></p>
Tas	<p>Civil Court deals with disputes involving amounts:</p> <ul style="list-style-type: none"> • up to and including \$5,000 (minor civil claim) • from \$5,001 to \$50,000 (civil claim) 	<p>A Judgment Summons and Oral Examination are means by which the Judgment Creditor or their Solicitor can ask a Judgment Debtor under oath as to their income, assets, and liabilities concerning their means of satisfying a judgment question concerning or in aid of enforcement.</p> <p>The Court will only make an order if satisfied the Judgment Debtor has the means to pay the Judgment Debt.</p> <p>An example of the type of order that may be made is for the Judgment Debtor to pay the debt by instalments of [a specific amount] per week / per fortnight / per month with the first payment to be made on [a specific date] to the Judgment Creditor.</p> <p><u>Magistrates Court: Civil Court</u></p>
Vic	<p>Victorian Civil and Administrative Tribunal (VCAT) deals with consumer disputes and small claims about products and services bought or sold.</p>	<p>VCAT makes a decision in a matter after hearing the evidence, looking at the documents provided by each party and considering how the law applies to the case. After making a decision, VCAT also makes an order.</p> <p>A VCAT order may be final or interim.</p> <ul style="list-style-type: none"> • A final order is an order that resolves [ends] a case, for example, an order that a party pay another party money. • An interim order does not finally determine [end] a case. For

		<p><i>example, orders setting a timetable for the filing and service of documents.</i></p> <p><i>An order may be monetary or non-monetary.</i></p> <ul style="list-style-type: none"> <i>• A monetary order requires a party to pay money to another party.</i> <i>• All other orders are called non-monetary orders.</i> <p><u><i>Decisions and orders VCAT</i></u></p>
WA	<p><i>The Magistrates Court deals with civil matters that involve:</i></p> <ul style="list-style-type: none"> <i>• claims for debt or damages of up to \$75,000</i> <i>• minor claims for debt or damages up to \$10,000</i> <i>• consumer/trader claims over the sale, supply or hire of goods or services</i> 	<p><i>Most Court judgments require a judgment debtor to pay money to a judgment creditor. The judgment creditor may request any of the following orders to enforce a judgment to recover money that has not been paid:</i></p> <ul style="list-style-type: none"> <i>• Time for payment order</i> <i>• Debt appropriation order</i> <i>• Instalment order</i> <i>• Property [seizure & sale] order</i> <i>• Earnings appropriation order</i> <i>• Appointment of a receiver.</i> <p><i>To enforce an order for the return of property, an application for property [seizure & delivery] order is required.</i></p> <p><u><i>Civil Matters [magistratescourt.wa.gov.au]</i></u></p>

Question 8

Use the space provided in the table below to describe the following measures to collect monies briefly:

- Use a debt collector
- Engage in mediation
- Make a minor debt claim
- Take steps to collect an outstanding debt in the event of a debtor bankruptcy

Marking Guide

Students are required to use the space provided in the table below to describe each method used to collect money.

Student's responses must be consistent with the characteristic answers below.

<p>Use a debt collector</p>	<p><i>Engaging a debt collector to contact a customer about an outstanding payment can end payment delays.</i></p> <p><i>Debt collectors are also bound by a code of conduct that sets down standards, provides a complaint resolution system and ensures consumers do not feel unduly harassed by the debt collector.</i></p>
<p>Engage in mediation</p>	<p><i>The parties need to agree to mediation, although sometimes the court will direct it.</i></p> <p><i>A mediator is a neutral third party appointed to assist by suggesting solutions and acting as a go-between during mediation. A mediator is not there to decide the outcome.</i></p> <p><i>Mediation can be better than going to trial because:</i></p> <ul style="list-style-type: none"><i>• the process is informal</i><i>• the parties decide the outcome, rather than a court</i><i>• it may be faster because the parties do not have to wait for a decision by a court</i>
<p>Make a minor or small debt claim</p>	<p><i>All State and Territory courts in Australia offer a small claims division of their local court or tribunal that provides a simple debt recovery procedure. Advantages are that the process is relatively informal and that costs awarded against an unsuccessful party are limited.</i></p>
<p>Take steps to collect an outstanding debt in the event of a debtor bankruptcy</p>	<p><i>If someone who owes you money is declared bankrupt, they are usually freed from debts they cannot pay.</i></p> <p><i>As a creditor, you can make a claim called a provable debt. This entitles you to share in the distribution of debtor funds and vote at meetings related to the bankruptcy.</i></p> <p><i>The Australian Financial Security Authority is a government agency that provides information for both debtors and creditors affected by the bankruptcy.</i></p>

Use the space provided in the table below to briefly describe three (3) industry accepted ways to remit monies.

Marking Guide

Students are required to use the space provided in the table below to describe any three (3) industry accepted ways to remit and collect money. Student's responses must be consistent with the characteristic answers below.

EFTPOS payments - Lets customers pay directly into a business's bank account using a bank card, credit card, or debit card.

Credit card and debit card payments – A credit card lets customers pay for goods and services by creating a debt with a credit card provider. Debit cards deduct the sale amount from a customer's bank account.

Direct debit payments – To become a direct debit user, you need an established business. The agreement allows the business to automatically debit funds from the individual's agreed account.

Online payments (such as Paypal) – Online payments let customers pay for goods and services through a website. Payments can be automatic and convenient. Encryption should always be used when sending payment information to protect the customer from cybercriminals.

Cash – For low-value products or when other payment options are problematic, cash payments are a good option. Businesses need a way to keep track of sales, such as a cash register or point of sale system and money needs to be banked regularly. To decrease the danger of theft, a business should avoid keeping large quantities of cash on site.

Cheque – Now that we have electronic payment alternatives, paying by check is becoming less popular. Cheques are more difficult to handle and take around three business days to clear.

Money order payments – A money order instructs a bank, credit union, building society, or post office to make a payment to a business. Money orders, unlike cheques, are pre-paid. As a result, they are unable to bounce due to insufficient funds. They may, however, bounce for other reasons such as suspected fraud.

Gift cards and vouchers – These can help boost sales at special events. They may also aid in promoting the business and the acquisition of new consumers. Gift cards and vouchers are valid for longer durations in various states. Therefore, businesses must honour the purchase if it is made within that time frame. If a business offers gift cards, they must follow the gift card laws.

Bitcoin and digital currencies – The concept of digital currency is similar to that of money. In exchange markets, use them to purchase and sell products and services. Because digital money is not legal cash, businesses are not required to accept it as payment. Digital currency's value fluctuates faster than traditional currencies.

Business.gov.au. 2021. *How to choose payment methods* | *business.gov.au*. [online] Available at: <<https://business.gov.au/Finance/Payments-and-invoicing/How-to-choose-payment-methods>> [Accessed 22 July 2021].

Question 10

Review the attached Mel’s Makeup’s Finance Policy and Procedures Manual. From the policy and procedures manual, identify the policy name and summarise the process/steps for the following three tasks:

- Reconciling financial accounts
- Accounts payable payment
- Invoicing customers

Marking Guide

Students are required to use the space provided in the table below to identify the policy name and summarise the process/steps for:

- *Reconciling financial accounts*
- *Accounts payable payment*
- *Invoicing customers*

Student’s responses must be consistent with the characteristic answers below.

Task	Policy	Process/Steps
Reconciling financial accounts	<i>Bank Account Policy</i>	<ul style="list-style-type: none"> • <i>Download the bank statements from the bank.</i> • <i>Compare the deposits and withdrawals</i> • <i>Adjust the bank statement</i> • <i>Adjust the cash account</i> • <i>Compare the balances</i> • <i>Record journal entries</i>
Accounts payable payment	<i>Accounts Payable Policy</i>	<p><i>Approved invoices received by the Accounts Payable Officer shall be coded and processed for payment within five (5) business days of receiving the invoice.</i></p> <p><i>Once an invoice is received, the Accounts Payable Officer must check the validity of the invoice. This is achieved by matching the invoice with the purchase order. If, for whatever reason, an invoice does not match with the purchase order, payment should be stopped pending further information. The Accounts Payable Officer should seek further clarification from the person requisitioning</i></p>

		<p><i>the stock and then liaise with the supplier to request an amended invoice.</i></p> <p><i>Once an invoice is approved, a cheque requisition is generated. All requisitions should be accompanied by supporting documentation, coded and approved. Missing supporting documents, coding or approvals will delay the processing of the cheque requisition.</i></p>
<p>Invoicing customers</p>	<p><i>Accounts Receivable Policy</i></p>	<p><i>Accurate records are to be maintained on all accounts receivable. The records to be maintained for each customer must include the complete name, address, contact details and Australian Business Number (ABN) when necessary.</i></p> <p><i>At the time of sale, an invoice is to be provided to the customer. The sale is to be entered into the Accounts Receivable Subsidiary Ledger for the customer, and the total sales for the month are entered into the Accounts Receivable Control Ledger. The Accounts Receivable Subsidiary Ledger is to be maintained for each account, showing all charges and payments. The Accounts Receivable Control Ledger is to equal the Accounts Receivable Subsidiary Ledgers for all customers. To ensure accuracy, monthly reconciliations are to be completed between the Accounts Receivable Subsidiary Ledgers for the customers and</i></p>

		<i>the Accounts Receivable Control Ledger.</i>

Question 11

Use the space provided in the table below to briefly describe five (5) key features of a debt recovery plan.

<p><i>Marking Guide</i> <i>Students are required to use the space provided in the table below to describe five (5) key features of a debt recovery plan.</i> <i>Student's responses must be consistent with the characteristic answers below.</i></p>
<ul style="list-style-type: none"> • <i>Check contract terms to see when payments were due.</i> • <i>Contact the customer in writing to request payment</i> • <i>Keep records of all customer correspondence</i> • <i>Set up regular payment reminders</i> • <i>Send a formal letter of demand</i> • <i>Consider hiring a debt collector if the customer still won't pay</i> • <i>Consider taking legal action</i> • <i>Do a property search on the Personal Property Security Register (PPSR) to recover unpaid goods.</i>