



**FNSACC524**

**ASSESSOR GUIDE**

# PREPARE FINANCIAL REPORTS FOR CORPORATE ENTITIES

Assessment 2 of 2

CASE STUDY AND DIRECT OBSERVATION

Version 1



## Assessment Details

### Task overview

This assessment task is divided into three [3] parts:

- Part A – Prepare and present financial reports for Burlap Attire
- Part B – Prepare shareholder’s funds report and acquisition of corporate entity report
- Part C – Prepare a consolidated financial report for M&H Group

Read the case study ‘Burlap Attire’ and complete each task.

In Part A, your Assessor will observe your skills in presenting financial information and concepts using language appropriate to various people. The presentation will either be presented in a classroom environment, via Zoom or online meeting software advised by your Assessor or recorded and submitted to your Assessor. You will need access to three people who will act as a manager, a senior accountant, and the CEO of Burlap Attire.

### Additional resources and supporting documents

To complete this assessment, you will need:

- Office equipment, technology, software, and consumables required to prepare financial reports for corporate entities
- Installed software:
  - o MS Excel
  - o MS PowerPoint
- Three [3] volunteers to participate in a roleplay activity
- A video recording device
- The policies and procedures for Burlap Attire, the simulated business used in this case study, are provided on the following pages. Refer to these policies and procedures when you complete the tasks included in this assessment.

## Assessment Information

### Submission

You are entitled to three [3] attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment [e.g. allowing additional time]
- the evidence gathering techniques [e.g. oral rather than written questioning, use of a scribe, modifications to equipment]

However, the evidence collected must allow the student to demonstrate all requirements of the unit.



## Case study

# BA

BURLAP ATTIRE



Burlap Attire is a Brisbane-based clothing company that produces women's fashion, including tops, dresses, sweaters, apparel, swimwear, and accessories.

Burlap Attire has been operating for twelve [12] months. It is registered as a company and 100% owned by M&H company.

Whilst Burlap Attire can extend credit to its customers, the business operates predominantly on a cash basis 98% of the time.

The senior accountant Nigel Pall has sought your assistance in preparing financial reports for Burlap Attire, including:

- Profit and Loss Statement
- Statement of Financial Position
- Reports showing tax effects
- Shareholders' funds' report
- Report aiding the acquisition of a corporate entity

Burlap Attire plans to acquire 100% of Beanies Group, an Australian company selling beanies online in Australia. You have been asked to assist in preparing the reports for the acquisition.

Once the reports have been finalised, you will present and discuss the reports and information with real people who will be acting in the following roles:

- Matt Marris, Sales Manager, Burlap Attire
- Nigel Pall, Senior Accountant, Burlap Attire
- Joanna Moore, CEO, Burlap Attire

In your role, you must

- prepare financial reports
- check data for accuracy and reliability
- follow Burlap Attire's accounting policies and procedures
- follow Burlap Attire's style guide
- follow accounting standards and statutory and ethical requirements, including declaring any conflict of interest, disclosure requirements and following confidentiality requirements.

Nigel has made a list of tasks and reports you must complete at the end of June following Burlap's Policies and Procedures.

Refer to the task instructions on the following pages.

## Burlap Attire Accounting Policies and Procedures

### Accounting Procedures

The accounts of Burlap Attire are kept on a computer and reports monthly on an accrual basis.

#### Chart of Accounts

The chart of accounts has been drawn up in accordance with the requirements of the accountant of the business to meet all requirements.

The GST Collected and GST Paid accounts are used to help meet Business Activity Statements (BAS) reporting requirements.



The business is GST-registered.

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### Reporting Requirements

1. Burlap Attire is a corporate entity.
2. The business must prepare a Profit and Loss Statement and Balance Sheet
3. Budget analysis and analysis of financial reports are also required.
4. The financial reports must comply with AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1031: Materiality and must be approved by the company accounting firm.
5. The financial reports must include financial information for the preceding reporting period.
6. The financial reports must be prepared on a going concern basis unless intended to liquidate or wind up its operations.

### Sales/Receipts Procedures

1. Sales of the clothes are recorded in MYOB AccountRight.
2. A tax invoice is printed for each sale using MYOB AccountRight. Cash and cheques are recorded in MYOB immediately upon receipt.
3. At the end of each day, the cash and cheques are reconciled with the data in MYOB.

### Purchasing Procedures

1. Joanna Hart personally purchases all supplies required by her business. Orders for clothes are usually handwritten and faxed to the supplier.
2. At the time of the delivery of goods, Joanna receives a printed tax invoice listing all items and the total cost of materials purchased. This is checked for accuracy against the original order and supplier's price list. The tax invoice details are entered in MYOB.
3. Suppliers send statements at the end of every month. The bookkeeper is responsible for checking the statement of accounts with the invoices received at the time of the purchase. The business is expected to pay the amount owing for the month seven (7) days after the purchase.

### End-of-financial-year Procedures

Burlap Attire's year-end accounting procedures focus on the need to report financial transactions on an accrual basis. This is to ensure that all year-end requirements are complete by 31 August.

### Bank Account Reconciliation

The bank account statement balances are reconciled to the ledger balances every Friday. A list of un-presented cheques is provided as part of the bank reconciliation, and un-presented cheques more than 15 months old are reversed in the ledger as at 30 June.

### Receivables and Payables Reconciliation

Receivables and payables must be reconciled every Friday, and all outstanding invoices must be checked for accuracy and validity.

### **Prepayments and Accruals**

Journal entries are used to enter adjustments for prepaid and accrued income and expenses. Year-end adjustments which affect June figures will be dated 30 June. Some of those adjustments which affect the results for the year are closing stock and provisions.

### **Stocktake**

An annual stocktake is required as at 30 June, and the stocktake must be taken in late June or early July to reflect stock levels accurately. Journal adjustments are required to reconcile the stock on hand to the general ledger.

### **Debtors and Write-offs**

All debts must be collected at the agreed date. Failure to receive a payment within five (5) working days will result in Burlap Attire sending the debtor a letter reminding the debtor of the collection. Five (5) working days after the first letter is sent, another letter will be sent to the debtor if payment is still not received.

Not receiving payment five (5) working days after the second letter was sent will result in Burlap Attire taking legal action, if required.

Unpaid debts are written off as bad debts when not repaid 30 days after the agreed payment date.

A list of outstanding (unpaid) debtors is required as at 30 June.

Provision needs to be made for doubtful debts at the rate of 2% of outstanding debtors less 10% GST.

### **Asset Register and Depreciation of Equipment**

Depreciation is calculated on assets on an annual basis as at 30 June using an excel spreadsheet. A report is run as soon as the asset register and general ledger reconcile to calculate depreciation on equipment as per legislation. The provisions for accumulated depreciation ledger accounts are adjusted as at 30 June to reconcile to the asset register.

### **Provisions**

The liability for long service leave needs to be calculated, and adjustments must be made to ledger provision accounts as at 30 June.

You are the bookkeeper for Burlap Attire. You are tasked to prepare financial reports following the organisation's policies and procedures.

## Task Instructions: Part A:

In Part A, you will prepare and present Burlap Attire's financial report by completing the following eight (8) tasks:

- Task 1 – Prepare Burlap Attire's Asset Register
- Task 2 – Prepare Burlap Attire's Cost of Goods Sold Summary
- Task 3 – Prepare Trial Balance
- Task 4 – Prepare Profit and Loss and Balance Sheet statements
- Task 5 – Review Profit and Loss and Balance Sheet statements
- Task 6 – Prepare a presentation
- Task 7 – Present financial outcomes to key stakeholder group:
  - Matt Marris, Sales Manager, Burlap Attire
  - Nigel Pall, Senior Accountant, Burlap Attire
  - Joanna Moore, CEO, Burlap Attire



## Task 1 – Prepare Burlap Attire's Asset Register

A. Transfer, code and classify the following asset data, in the table below, into Burlap's Financial reports spreadsheet: [FNSACC524\_Burlap Attire Financial Report.xls, "Asset Register" tab].

Asset Number	Asset Description	Cost	Date Purchased	Useful life*	Method of depreciation**
001	Pricing and tagging guns	\$ 470.00	1/07/2020	5	Prime cost (straight line method)
002	Pricing and tagging guns	\$ 470.00	1/07/2020	5	Prime cost (straight line method)
003	Mannequin	\$ 500.00	1/07/2021	7	Prime cost (straight line method)
004	Mannequin	\$ 500.00	1/07/2021	7	Prime cost (straight line method)
005	Mannequin	\$ 500.00	1/07/2021	7	Prime cost (straight line method)
006	Mannequin	\$ 500.00	1/07/2021	7	Prime cost (straight line method)
007	Mannequin	\$ 500.00	1/07/2021	7	Prime cost (straight line method)
008	Cash register	\$ 1,500.00	1/07/2021	10	Prime cost (straight line method)
009	Rack	\$ 6,000.00	1/07/2021	50	Prime cost (straight line method)
010	Cupboards	\$ 10,000.00	1/07/2021	10	Prime cost (straight line method)
011	Electronic Surveillance System	\$ 5,000.00	1/07/2021	20	Prime cost (straight line method)

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

B. Complete the fixed asset register by:

- Reviewing and confirming the useful life data for accuracy according to organisational policies and procedures. Record valuations according to accounting standards and amend where necessary.

Refer to the TR2022/1 Taxation Ruling Income Tax: effective life of depreciating assets from the following ATO website:

<https://www.ato.gov.au/law/view/document?DocID=TXR/TR20221/NAT/ATO/00001>

- Calculating: Yearly depreciation, Accumulated depreciation, Net realisable value, and Residual value

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

## Task 2 – Prepare Burlap Attire's Cost of Goods Sold Summary

A. Transfer the following inventory data into Burlap's Financial reports spreadsheet: (FNSACC524\_Burlap Attire Financial Report.xls, "COGS Summary" tab).

	Tops	Dresses	Sweaters	Apparel	Swimwear	Accessories
Opening Stock, 1 July 2021	\$ 7,000.00	\$ 8,000.00	\$ 13,000.00	\$ 26,090.00	\$ 4,000.00	\$ 4,000.00
Add: Purchases	\$ 2,500.24	\$ 3,000.11	\$ 1,200.37	\$ 1,500.01	\$ 3,500.73	\$ 3,500.56
Less: Closing Stock, 30 June 2022	\$ 2,901.00	\$ 4,621.00	\$ 1,068.00	\$ 3,100.00	\$ 22.00	\$ 2,093.00

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

B. Complete the COGS summary by calculating the Cost of Goods sold for each product type.

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

### Task 3 – Prepare a trial balance

A. Transfer trial balance data, in the table below, into the computerised spreadsheet system developed for Burlap's Financial Report (FNSACC524\_Burlap Attire Financial Report.xls, "Trial Balance" tab).

	Dr	Cr
Sales - Tops		\$ 16,363.64
Sales - Dresses		\$ 15,818.19
Sales - Sweaters		\$ 32,563.63
Sales - Apparel		\$ 60,727.28
Sales - Swimwear		\$ 18,545.44
Sales - Accessories		\$ 13,409.11
Cash in hand	\$ 120,500.00	
Accounts Receivable - M&H	\$ 300.00	
Fixed Assets	\$ 25,940.00	
Accumulated Depreciation - Fixed Assets		\$ 3,483.14
Cost of Goods Sold	\$ 63,487.02	
Advertising	\$ 3,300.00	
Depreciation	\$ 4,220.71	
Rounding's and other Adjustments		\$ 0.31
Interest Earned		\$ 161.80
Bank Fees	\$ 70.00	
GST Collected		\$ 14,059.76
GST Paid	\$ 3,284.08	
Owner's Capital		\$ 82,158.73
Provision for long service leave		\$ 500.00
Provision for Income Tax		\$ 5,000.00



Income Tax Expense	\$	11,989.22
Annual leave expense	\$	500.00
Salaries and wages	\$	16,200.00
Rent Expense	\$	13,000.00

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

- B. Complete the trial balance by coding and classifying each account from the general ledger to the “correct account type” and “report” type according to Burlap Attire’s organisational policy, procedures, and accounting standards.

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

- C. Confirm the accuracy of the data by calculating and adding a total debits and credits balance to the report.

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

- D. Format the total debits and total credits cells according to the Organisational Policy listed on the report.

**Organisational Policy:**

*\* If total debits and total credits are equal Fill cells with green background*

*\* If total debits and total credits are not equal fill cells with red background*

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

**Task 4 – Prepare Profit and Loss and Balance Sheet statements**

- A. Use the COGs data from Task 2 and trial balance data from Task 3 to prepare and complete the Profit and Loss statement in Burlap’s Financial Report (FNSACC524\_Burlap Attire Financial Report.xls, “Profit and Loss” tab).

Calculate and record the Net Profit after Tax using the following company tax rates from the Australian Taxation Office:

**Table: Progressive changes to the company tax rate**

Income year	Aggregated turnover threshold	Tax rate for base rate entities under the threshold	Tax rate for all other companies
2017–18	\$25m	27.5%	30.0%
2018–19 to 2019–20	\$50m	27.5%	30.0%
2020–21	\$50m	26.0%	30.0%
2021–22 and future years	\$50m	25.0%	30.0%

Source: <https://www.ato.gov.au/rates/changes-to-company-tax-rates/>

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

- B. Use the COGs data from Task 2 and trial balance data from Task 3 to prepare and complete the Balance sheet statement in Burlap's Financial Report (FNSACC524\_Burlap Attire Financial Report.xls, "Balance Sheet" tab).

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_Task 2\_AG\_Burlap Attire Financial Reports.xls. The student must complete all fields according to the benchmark provided.

## Task 5 – Review Profit and Loss and Balance Sheet statements

- A. Review statements prepared in Task 4 and check [by completing the checklist below] that they comply with Burlap Attire's style guide and amend as required.

Organisational Document Style Guide Policies	Complies [Y/N]	Provide a summary of any amendments made
Burlap Attire's Templated used		
Reports use black and white font for headings and tables		
Colour is only used to highlight key outcomes in financial reports		
Document is visually appealing		
Document uses Microsoft WORD or Excel		
Burlap Attire's logo appears on all documentation		
Arial Typeface is used		

**Assessor instructions:** The student must complete each field with Y or N; if N, a summary of the amendments made must be provided.

- B. Review statements prepared in Task 4 and check [complete the checklist below] that they comply with the following statutory and ethical requirements.

Statutory and ethical requirements	Complies [Y/N]	Provide a summary of any amendments made
<u>Conflict of interest:</u> Did you or anyone else have a personal interest or a duty to another person which conflicts with your duty owed to Burlap Attire in preparing these reports?		
<u>Confidentiality:</u> Did you or anyone else use Burlap Attire's financial information for other purposes other than preparing financial reports?		
<u>Confidentiality:</u> Was any financial information disclosed or shared outside of the organisation?		
<u>Accuracy:</u> Do the reports prepared: [a] Clearly describe the true nature of business transactions, assets, or liabilities. [b] Classify and record information in a timely and proper manner; and		

(c) Represent the facts accurately and completely in all material respects.		
<u>Disclosure requirements:</u> has all information required by the International Financial Reporting Standards or relevant to understanding the statements been provided?		
<u>Burlap Attire's Accounting Policies and Procedures:</u> do the reports comply with the procedures?		

**Assessor instructions:** The student must complete each field with Y or N; if N, a summary of the amendments made must be provided.

## Task 6 – Prepare a PowerPoint presentation

Your PowerPoint presentation must:

- Summarise the data from your financial reports and include charts, diagrams, tables and supporting data highlighting the key financial outcomes achieved for the FY 2021/2022
- Be logically structured
- Use clear language, terminologies and concepts appropriate for executive and senior-level staff
- Use Burlap Attire's Presentation Template provided: FNSACC524\_Burlap Attire Presentation Template

Save the PowerPoint presentation. Use the filename:



FNSACC524 Financial Report Presentation.ppt

Complete the assessment marking criteria at the end of this assessment to confirm the student:

- confirmed that the structure and format of reports are clear and comply with statutory and organisational requirements
- presentation was logically structured, used clear language, terminologies and concepts appropriate for senior-level staff
- used the presentation template provided
- Reports in this task have been evaluated against statutory requirements

## Task 7 – Present financial outcomes to key stakeholder group

Present the PowerPoint presentation you prepared in Task 7 to your volunteers through a simulated presentation.

There is no specific script to be followed. However, you must demonstrate presenting financial information using language and concepts appropriate for the audience. Specifically:

- Use correct financial accounting terminologies

- Communicate in a professional manner appropriate to (executive/senior-level staff)
- Answer the audience's questions

This part of the assessment will be completed through a roleplay activity with three (3) volunteers.

In this roleplay activity, you will present the financial reports and conduct a presentation for Burlap Attire.

Once the reports have been finalised, you will present and discuss the reports and information with real people who will be acting in the following roles:

- Matt Marris, Sales Manager, Burlap Attire
- Nigel Pall, Senior Accountant, Burlap Attire
- Joanna Moore, CEO, Burlap Attire

In your role, you must

- follow Burlap Attire's accounting policies and procedures
- follow accounting standards and statutory and ethical requirements, including declaring any conflict of interest, disclosure requirements and following confidentiality requirements.

Document the presentation through a video recording using Zoom. Save the video recording. Use the filename:



FNSACC524 Video Recording.avi

## Role play instructions

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The roleplay/meeting must include at least three other participant/s, must not exceed 30 minutes, and must address all elements of the Observation Checklist below.

In this task, you will participate in a role/play meeting with others. These may be resourced using one of the following options:

1. Peer/s who you are already working with, in the industry your qualification relates to.
2. Fellow student/s who will play the role of a team member. Please contact your fellow student/s via the Discussion Forum and coordinate your role play with them directly.

If you are unable to find a participant/s to play the role of the other team member/s, contact your assessor via the Discussion Forum, who will discuss options for pairing up with another student/s to complete this task.

### Option 1: Peer/s participant

Should you complete this task with your Peer/s, you must fully brief all participant/s, providing them with the context of the role play/meeting, a role outline to play and a copy of the observation checklist so that they can prepare for the recording.

Peer/s will need to state their name and job title at the start of the recording to inform consent.

### Option 2: Fellow student/s participant

Fellow student/s participating in the recording must be provided with context to their role and responsibilities in the session and have reviewed the assessment activity and observation checklist so that they can prepare for the recording.

Student/s will need to state their name and that they are a student (as their job title) at the start of the recording to inform consent.

### **Recording instructions**

Your role play must be recorded with all participant/s captured in a virtual room using a system such as Zoom, Skype or Teams.

Consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

**Assessor instructions: Complete the observation assessment marking criteria at the end of this assessment.**



## Task Instructions: Part B:

In Part B, you will prepare a shareholder's funds report, and two (2) reports to aid the acquisition of Beanies Group by completing:

- Task 1 – Shareholder's funds report
- Task 2 – Reports aiding the acquisition of corporate entities
- Task 3 – Review and confirm the data and reports comply with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements

### Task 1 – Shareholder's funds report

- A. Burlap Attire is considering issuing shares in FY 2022/23. Prepare a shareholders funds report (using the template below) assuming 10,000 common shares at \$50 each being purchased and received in cash on 1 July 2022.

Equity – Share capital	2021/22	2022/23
Shares issued and fully paid	\$0	\$50 000
Beginning of the year	\$0	\$0
Issued on exercise of employee share options	\$0	\$0
Share issues issued and fully paid	\$0	\$50 000
Shares authorised for share-based payments	\$0	\$0
Total shares 30 <sup>th</sup> June	\$0	\$50 000

**Assessor instructions:** The student must respond according to the benchmark provided above.

- B. Prepare a statement of changes in equity for FY 2021/22, using the financial reports prepared in Part A and the template provided below:

Statement of Changes in Equity	
Owner's Capital, 1 July 2021	\$ 25,671.28
Add: Net Income	\$ 56,487.45
Owner's Capital, 30 June 2022	\$ 82,158.73

**Assessor instructions:** The student must respond according to the benchmark provided above.

## Task 2 – Reports aiding the acquisition of corporate entities

Burlap Attire plans to acquire 100% of Beanies Group in FY2022/23, an Australian company selling beanies online in Australia. You have been asked to assist in preparing the reports for the acquisition.

- A. Accounts Receivable Report: Before continuing with the acquisition, you need to confirm that the liability balances in Beanies Group records are the same balances as their suppliers. Beanies Group has indicated that their accounts receivable balance is \$3,500.

Beanies Group contact their suppliers and provide you with the following information:

- Iris Designs – confirmed that they owe \$1,500
- Mathiel Prints said their books show \$300, and the Beanies Group balance was \$500, so they investigated the \$200 difference and realised they had incorrectly entered the amount in their finance system.
- Miffy Threads – confirmed that their books record \$1,500.00.

Using this information, complete the accounts receivable report below by adding the correct supplier balances and use the 'Comment/Discrepancy' column to record whether Beanies Group's balance is correct or if there is a discrepancy. If there is a discrepancy, indicate the correct amount.

Supplier	Contact Number	Outstanding Balance in Beanies Group Accounts	Outstanding Balance in Supplier Accounts	Comment/Discrepancy
Iris Designs	[02] 4043 5550	\$ 1,500	\$1,500	Correct or no discrepancy
Mathiel Prints	[02] 9381 1509	\$ 500	\$300	Should be \$300
Miffy Threads	[03] 5306 8387	\$ 1,500	\$1,500	Correct or no discrepancy
Total		\$3,500	\$3,300	Accounts Receivable balance needs to be reduced by \$200

**Assessor instructions:** The student must respond according to the benchmark provided above.

- B. Acquisition Report: Complete the following acquisition report using the information provided in part A and the business take over information below:

- Amount settled in cash \$25,000
- Property, plant and equipment expenses \$12,000
- Inventory \$4,500
- Accounts receivable \$3,500
- Cash \$500
- Borrowings \$4,000
- Tax liability \$2,322
- Insurance claims receivables \$7,000

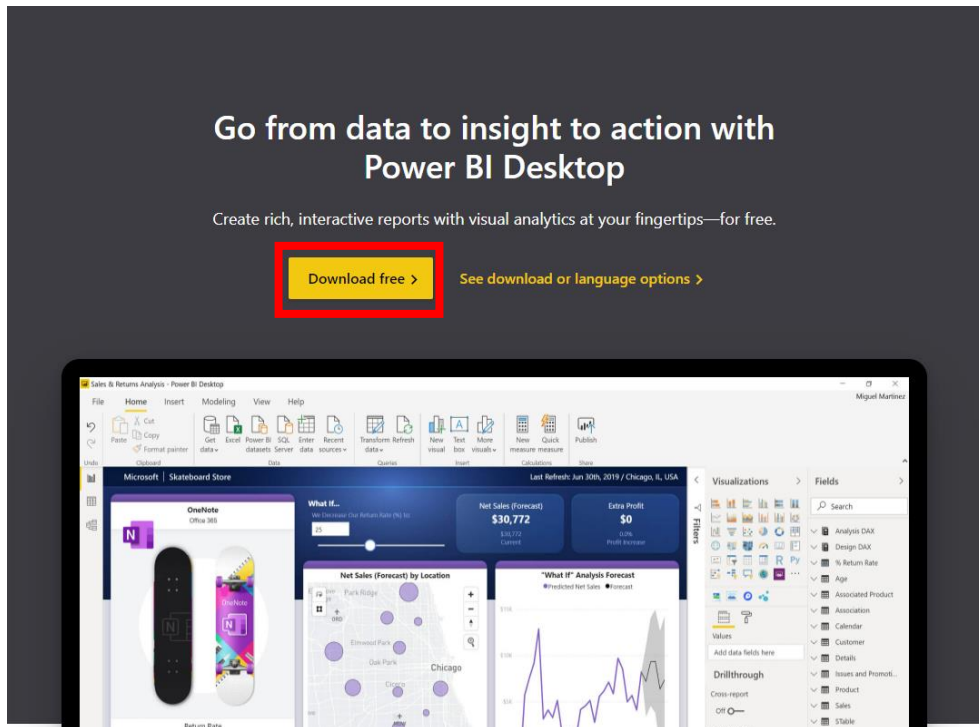
<b>Fair value of consideration transferred</b>	
Amount settled in cash	25,000
<b>Total</b>	<b>25,000</b>
<b>Recognised amounts of identifiable net assets</b>	
Property, plant and equipment	12,000
<b>Total non-current assets</b>	<b>12,000</b>
Inventories	4,500
Insurance claims receivables	7,000
Cash and cash equivalents	500
Accounts receivable	3,300
<b>Total current assets</b>	<b>\$15,300</b>
Borrowings	4,000
Deferred tax liabilities	2,322
<b>Total non-current liabilities</b>	<b>\$6,322</b>
<b>Identifiable net assets</b>	<b>\$20,978</b>
<b>Goodwill on acquisition</b>	<b>\$4,022</b>
Consideration transferred settled in cash	\$25,000
Cash and cash equivalents acquired	[500]
<b>Net cash outflow on acquisition</b>	<b>\$24,500</b>

**Assessor instructions:** The student must respond according to the benchmark provided above.

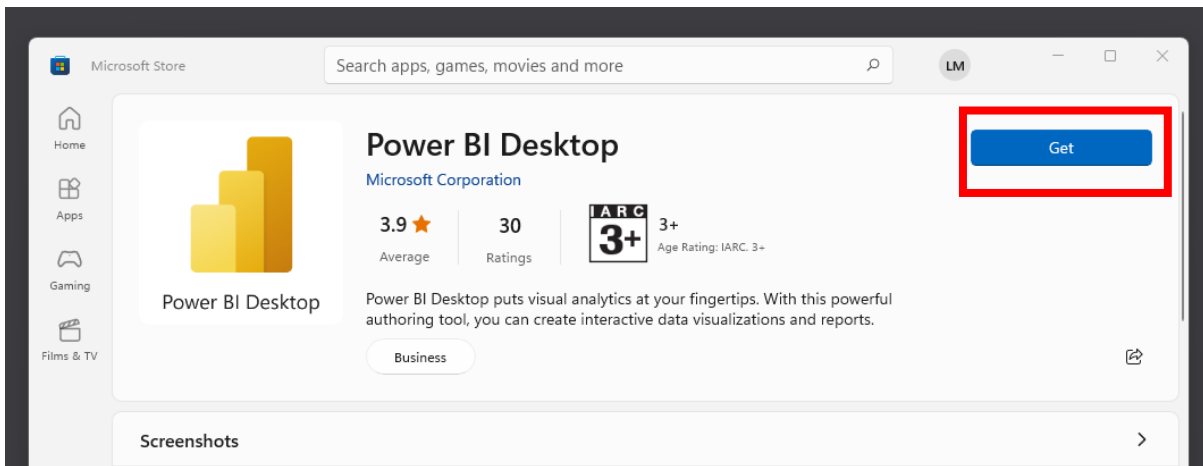
- C. Conduct sales analysis: to inform the acquisition decision, it is important to analyse two (2) months' worth of Beanie Group's sales data.

To do this, use the sales data provided in FNSACC524\_Beanies Group Sales Data.xls and upload it to MS Power BI's database.

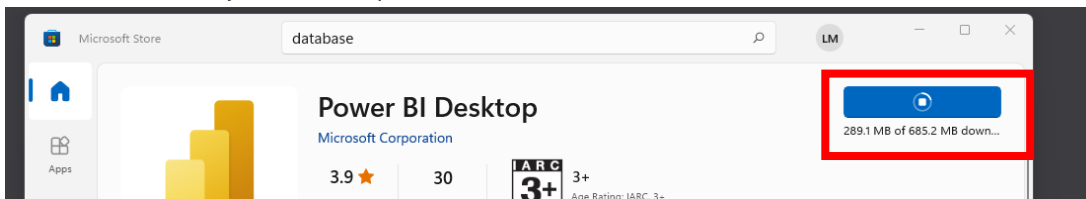
1. *Install Power BI*: <https://powerbi.microsoft.com/en-us/desktop/>



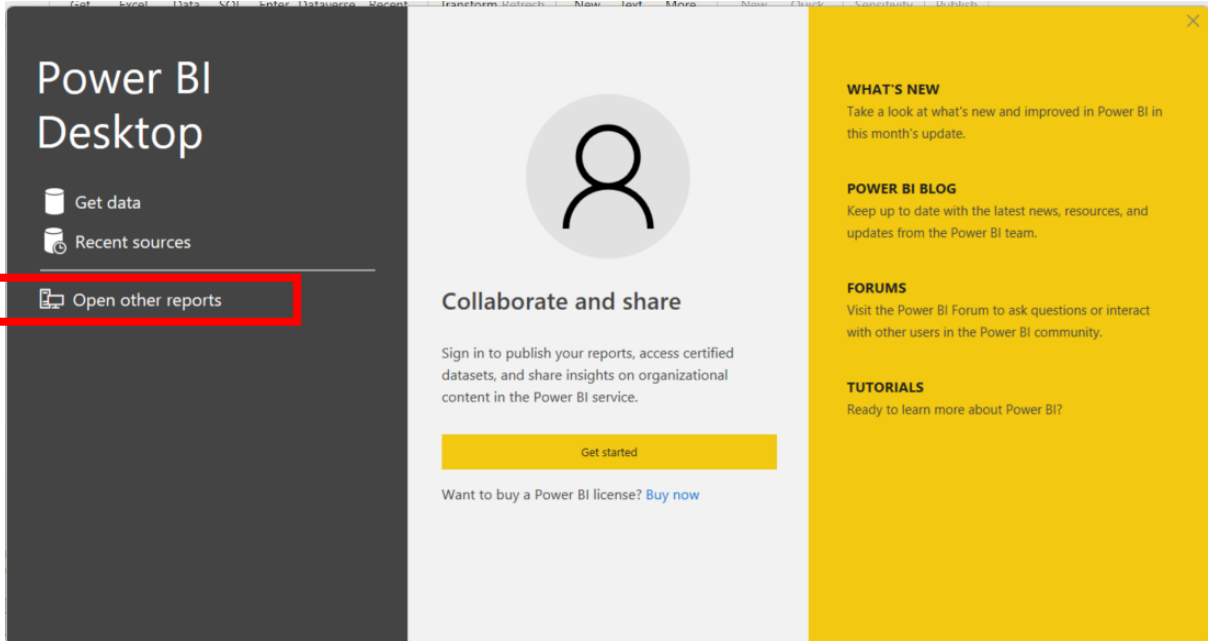
2. *Select "Get" from the Microsoft store*



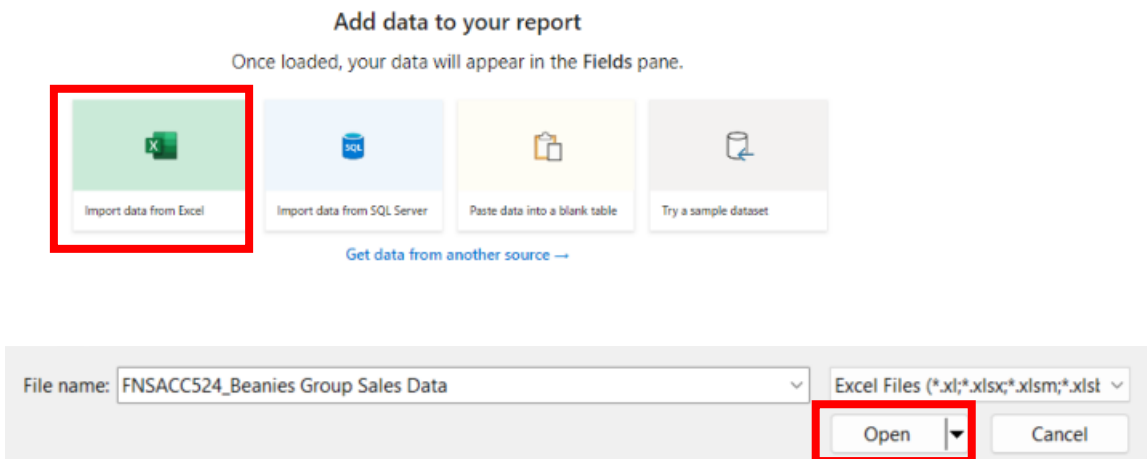
3. *The download may take a couple of minutes*



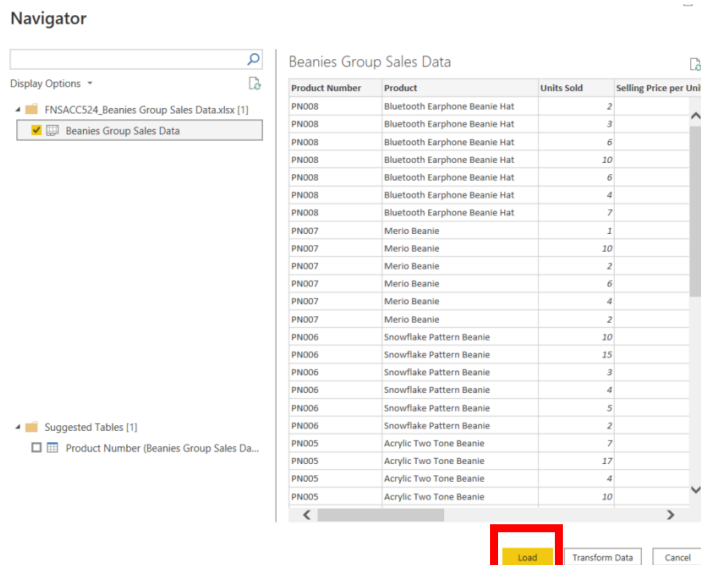
4. Open the program and select "Open other reports."



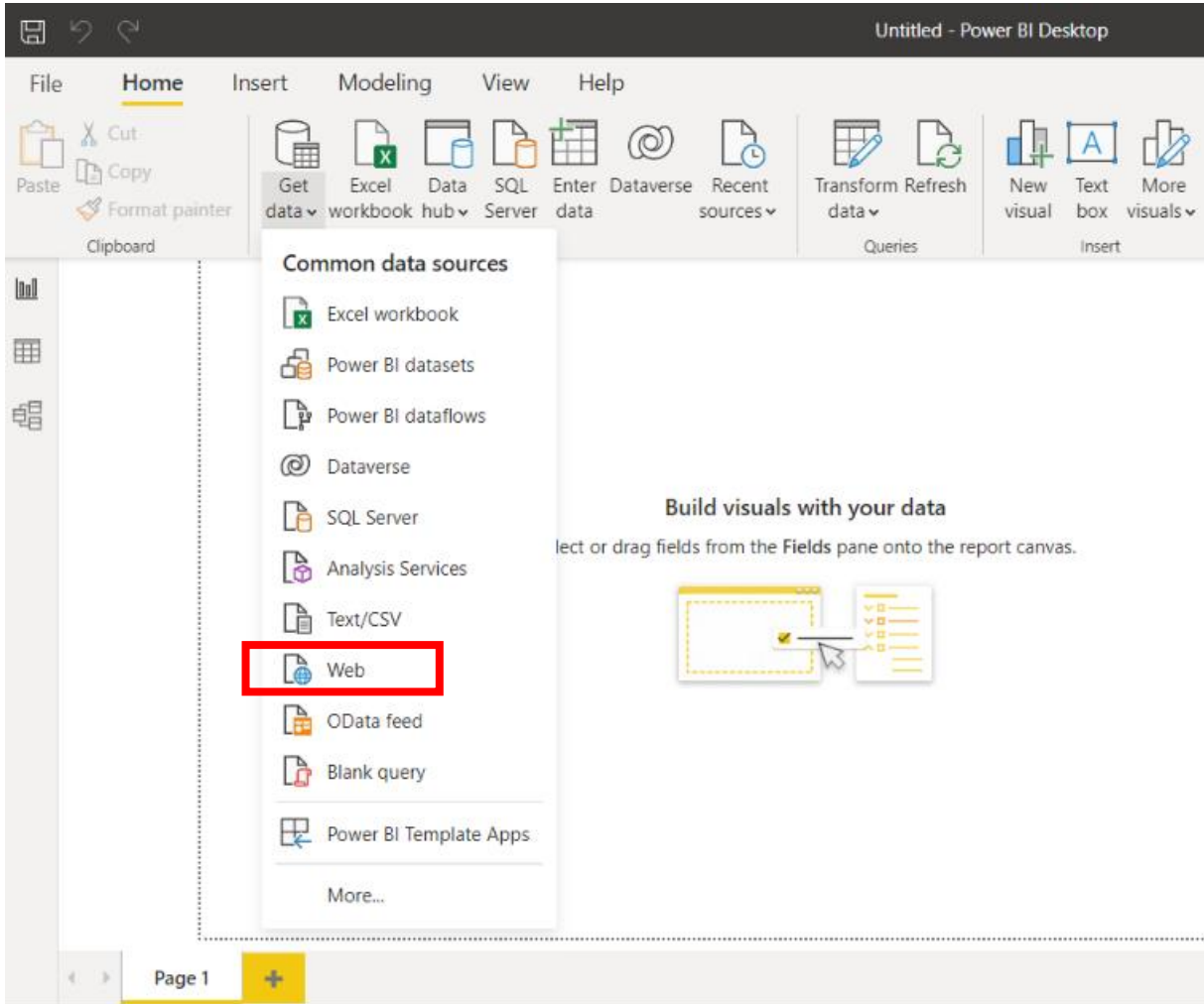
5. Import the sales data from FNSACC524\_Beanies Group Sales Data.xls



6. Import the sales data from FNSACC524\_Beanies Group Sales Data.xls



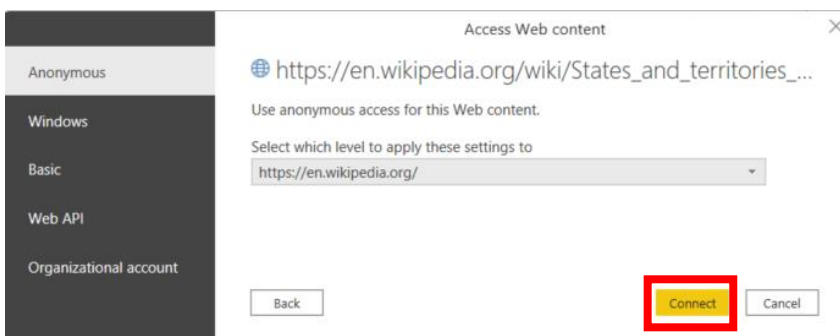
7. Add additional state population data to your database by selecting “Get Data > web” and adding the following link: [https://en.wikipedia.org/wiki/States\\_and\\_territories\\_of\\_Australia](https://en.wikipedia.org/wiki/States_and_territories_of_Australia)



## From Web

Basic  Advanced

URL





# Navigator

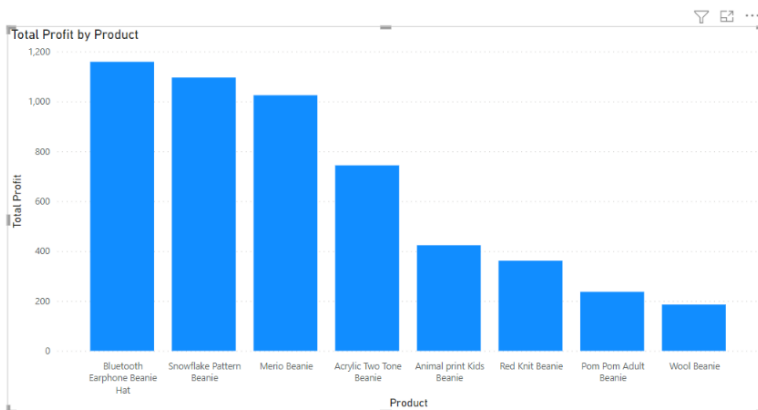
Flag	State	Postal	ISO[5]	Capital	Population
	New South Wales	NSW	AU-NSW	Sydney	
	Victoria	VIC	AU-VIC	Melbourne	
	Queensland	QLD	AU-QLD	Brisbane	
	Western Australia	WA	AU-WA	Perth[c]	
	South Australia	SA	AU-SA	Adelaide	
	Tasmania	TAS	AU-TAS	Hobart	

Note: Right-click on “States of Australia[b]” to rename and remove the [b] for the heading

8. Navigate to the relational view of the database, and you will see the two datasets in your database

9. Use Power BI to create a bar graph of Profit by Product

Take a screenshot of the bar graph and paste it below:

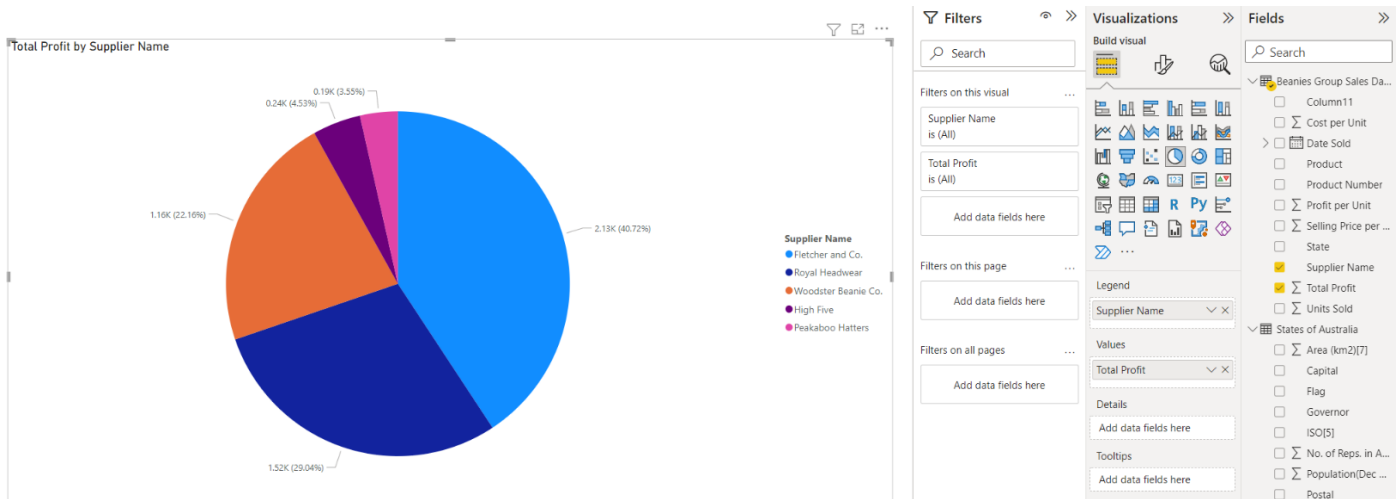


Which product is bringing in the most profit? **Bluetooth Earphone Beanie**

Which product is bringing in the least profit? **Wool Beanie**

10. Use Power BI to create a pie graph of Profit by Supplier

Take a screenshot of your graph and paste it below:



Answer the following questions based on your data analysis:

Which supplier's product brings in the most profit? **Fletcher and Co.**

Which supplier's product brings in the third most profit? **Woodster Beanie Co.**

**Assessor instructions:** The student used the database, developed graphs and answered the questions according to the above benchmarks.

### Task 3 – Review and confirm the data and reports comply with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements

- A. Accounts Receivable Report: Confirm that the data in the accounts receivable report complies with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements by completing the following checklists:

Organisational Document Style Guide Policies	Complies (Y/N)	Provide a summary of any amendments made
Were Burlap Attire’s Templates used?		
Reports use black and white font for headings and tables		
Colour is only used to highlight key outcomes in the reports		
Document is visually appealing		
Document uses Microsoft WORD or Excel		
Burlap Attire’s logo appears on all documentation		
Arial Typeface is used		

Statutory and ethical requirements	Complies (Y/N)	Provide a summary of any amendments made
<u>Conflict of interest</u> : Did you or anyone else have a personal interest or a duty to another person which conflicts with your duty owed to Burlap Attire in preparing these reports?		
<u>Confidentiality</u> : Did you or anyone else use Burlap Attire’s or Beanies Group’s financial information for other purposes other than preparing these reports?		
<u>Confidentiality</u> : Was any financial information disclosed or shared outside of the organisation?		
<u>Accuracy</u> : Do the reports prepared: (a) Clearly describe the true nature of business transactions, assets, or liabilities. (b) Classify and record information in a timely and proper manner; and (c) Represent the facts accurately and completely in all material respects.		
<u>Disclosure requirements</u> : has all information required by the International Financial Reporting Standards or relevant to understanding the statements been provided?		

**Assessor instructions:** The student must complete each field with Y or N; if N, a summary of the amendments made must be provided.

- A. **Acquisition report:** Confirm that the data in the acquisition report complies with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements by completing the following checklists:

Organisational Document Style Guide Policies	Complies [Y/N]	Provide a summary of any amendments made
Were Burlap Attire's Templates used?		
Reports use black and white font for headings and tables		
Colour is only used to highlight key outcomes in the reports		
Document is visually appealing		
Document uses Microsoft WORD or Excel		
Burlap Attire's logo appears on all documentation		
Arial Typeface is used		

Statutory and ethical requirements	Complies [Y/N]	Provide a summary of any amendments made
<b>Conflict of interest:</b> Did you or anyone else have a personal interest or a duty to another person which conflicts with your duty owed to Burlap Attire in preparing these reports?		
<b>Confidentiality:</b> Did you or anyone else use Burlap Attire's or Beanies Group's financial information for other purposes other than preparing these reports?		
<b>Confidentiality:</b> Was any financial information disclosed or shared outside of the organisation?		
<b>Accuracy:</b> Do the reports prepared: (a) Clearly describe the true nature of business transactions, assets, or liabilities. (b) Classify and record information in a timely and proper manner; and (c) Represent the facts accurately and completely in all material respects.		
<b>Disclosure requirements:</b> has all information required by the International Financial Reporting Standards or relevant to understanding the statements been provided?		

**Assessor instructions:** The student must complete each field with Y or N; if N, a summary of the amendments made must be provided.

# Task Instructions: Part C: Prepare a consolidated report for M&H Group

In Part C, you will prepare a consolidated financial report for M&H Group by completing:

- Task 1 – Prepare a consolidated financial report for M&H Group
- Task 2 – Review and confirm the date and reports are compliant

## Task 1 – Prepare a consolidated financial report for M&H Group

Burlap Attire is 100% wholly owned by M&H. Burlap Attire was created by M&H (parent company).

M&H's accounting policies and procedures are identical to those of Burlap Attire. The only addition for the M&H Group is the inclusion of the following consolidation procedure:

### *Extract from M&H Group: Accounting Policies and Procedures:*

#### **Consolidation Policy:**

The consolidated financial reports must comply with AASB 10: Consolidated Financial Statements. AASB 10 is to be read in the context of other Australian Accounting Standards, including AASB 1048 Interpretation of Standards, which identifies the Australian Accounting Interpretations, and AASB 1057 Application of Australian Accounting Standards. In the absence of explicit guidance, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies.

#### **Consolidation Procedure:**

- **Step 1:** The financial statement of the parent and its subsidiaries should be combined/added on a line-by-line basis by adding the like items of assets, liabilities, income, and expenses
- **Step 2:** The parent company's investment in the subsidiary would not be included in the consolidated financial report
- **Step 3:** If the cost of the investment the parent has in the subsidiary exceeds the parent's portion equity on the date of consolidation, the excess is debited to the Goodwill account and will be shown as an asset in the consolidated balance sheet
- **Step 4:** If the cost of the investment the parent has in the subsidiary is less than the parent's equity on the date of consolidation, the difference is credited to the capital reserve account and should be shown in the consolidated balance sheet under Reserve
- **Step 5:** Minority interest should be calculated and shown in the consolidated financial reports
- **Step 6:** If there are any intercompany transactions, balance, income or expenses, they all need to be removed from the consolidated financial statement.

To prepare the consolidated financial report for M&H Group:

- Use the financial data extracted from Burlap Attire's and M&H's finance system contained in the spreadsheet FNSACC524\_M&H Group Consolidated Financial Report.xls
- The consolidation procedure (above) is to prepare the consolidated Profit and Loss and Balance sheet for M&H Group.

**Assessor instructions:** Refer to the benchmark answer FNSACC524\_PartC\_AG\_M\_H\_Group Consolidated Financial Reports.xls. The student must complete all fields according to the benchmark provided.

## Task 2 – Review and confirm the data and reports are compliant

Confirm that the data in the consolidated financial report complies with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements by completing the following checklists:

Organisational Policies	Complies (Y/N)	Provide a summary of any amendments made
Were M&H Group's Templates used?		
Is the document visually appealing		
Does the document use Microsoft WORD or Excel		
Arial Typeface is used		
Were M&H's Accounting policies and procedures followed when preparing the report?		

Statutory and ethical requirements	Complies (Y/N)	Provide a summary of amendments made
<u>Conflict of interest:</u> Did you or anyone else have a personal interest or a duty to another person which conflicts with your duty owed to M&H Group in preparing these reports?		
<u>Confidentiality:</u> Did you or anyone else use Burlap Attire's or M&H's financial information for other purposes other than preparing these reports?		
<u>Confidentiality:</u> Was any financial information disclosed or shared outside of the organisation?		
<u>Accuracy:</u> Do the reports prepared: (a) Clearly describe the true nature of business transactions, assets, or liabilities. (b) Classify and record information in a timely and proper manner; and (c) Represent the facts accurately and completely in all material respects.		
<u>Disclosure requirements:</u> has all information required by the International Financial Reporting Standards or relevant to understanding the statements been provided?		

**Assessor instructions:** The student must complete each field with Y or N; if N, a summary of the amendments made must be provided.



# Assessment marking criteria: Part A: Task 7 Observation Checklist

During the demonstration of skills, the student satisfactorily presented financial information.

		S	U
1	<p>Present information using language and concepts appropriate for the audience</p> <p>Look for:</p> <ul style="list-style-type: none"> <li>The student used correct financial accounting terminology</li> <li>Student communicated in a professional manner appropriate for executive/senior-level staff</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
2	<p>Present financial information using charts, diagrams, tables and supporting data</p> <p>Look for:</p> <ul style="list-style-type: none"> <li>The student presented information using a PowerPoint presentation</li> <li>The student incorporated the use of charts, diagrams, tables and supporting data</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
3	<p>Follow Burlap Attire's accounting policies and procedures, accounting standards and statutory and ethical requirements, including declaring any conflict of interest, disclosure requirements and following confidentiality requirements.</p> <p>Look for:</p> <ul style="list-style-type: none"> <li>All information complied with accounting policies and procedures, accounting standards and statutory and ethical requirements</li> <li>Conflicts of interest and disclosure requirements declared, if applicable (note: in this simulation, there are no defined conflicts of interest)</li> <li>Followed confidentiality requirements and did not disclose unnecessary information</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

## Assessment checklist:

Students must have completed all activities within this assessment before submitting. This includes:

Part A			
	Task 1 - Prepare Burlap Attire's Asset Register	<input type="checkbox"/>	<input type="checkbox"/>
	Task 2 - Prepare Burlap Attire's Cost of Goods Sold Summary	<input type="checkbox"/>	<input type="checkbox"/>
	Task 3 - Prepare Trial Balance	<input type="checkbox"/>	<input type="checkbox"/>
	Task 4 - Prepare Profit and Loss and Balance Sheet statements	<input type="checkbox"/>	<input type="checkbox"/>
	Task 5 - Review Profit and Loss and Balance Sheet statements	<input type="checkbox"/>	<input type="checkbox"/>
	Task 6 - Prepare presentation	<input type="checkbox"/>	<input type="checkbox"/>
	Task 7 - Present financial outcomes to key stakeholder group	<input type="checkbox"/>	<input type="checkbox"/>
PART B			
	Task 1 - Shareholder's funds report	<input type="checkbox"/>	<input type="checkbox"/>
	Task 2 - Reports aiding the acquisition of corporate entities	<input type="checkbox"/>	<input type="checkbox"/>
	Task 3 - Review and confirm the data and reports comply with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements		
Part C		<input type="checkbox"/>	<input type="checkbox"/>
	Task 1 - Prepare Consolidated Financial Report for M& H Group	<input type="checkbox"/>	<input type="checkbox"/>
	Task 2 - Review and confirm the date and reports are compliant	<input type="checkbox"/>	<input type="checkbox"/>

## Assessment marking criteria: Part A:

The evidence submitted demonstrates that the student has satisfactorily:

**Assessor instructions:** All sections/questions must be completed. Refer to the template for sample answers and benchmarks.

		S	U
1	Task 1 - Prepare Burlap Attire's Asset Register	<input type="checkbox"/>	<input type="checkbox"/>
2	Task 2 - Prepare Burlap Attire's Cost of Goods Sold Summary	<input type="checkbox"/>	<input type="checkbox"/>
3	Task 3 - Prepare Trial Balance	<input type="checkbox"/>	<input type="checkbox"/>
4	Task 4 - Prepare Profit and Loss and Balance Sheet statements	<input type="checkbox"/>	<input type="checkbox"/>
5	Task 5 - Review Profit and Loss and Balance Sheet statements	<input type="checkbox"/>	<input type="checkbox"/>
6	Task 6 - Prepare a presentation	<input type="checkbox"/>	<input type="checkbox"/>
7	Task 7 - Present financial outcomes to key stakeholder group	<input type="checkbox"/>	<input type="checkbox"/>

## Assessment marking criteria: Part B:

The evidence submitted demonstrates that the student has satisfactorily:

**Assessor instructions:** All sections/questions must be completed. Refer to the template for sample answers and benchmarks.

		S	U
8	Task 1 – Shareholder’s funds report	<input type="checkbox"/>	<input type="checkbox"/>
9	Task 2 – Reports aiding the acquisition of corporate entities	<input type="checkbox"/>	<input type="checkbox"/>
10	Task 3 – Review and confirm the data and reports comply with organisational policies and procedures, ethical requirements, required accounting standards and statutory and reporting requirements	<input type="checkbox"/>	<input type="checkbox"/>

## Assessment marking criteria: Part C:

The evidence submitted demonstrates that the student has satisfactorily:

**Assessor instructions:** All sections/questions must be completed. Refer to the template for sample answers and benchmarks.

		S	U
11	Task 1 – Prepare Consolidated Financial Report for M& H Group	<input type="checkbox"/>	<input type="checkbox"/>
12	Task 2 – Review and confirm the date and reports are compliant	<input type="checkbox"/>	<input type="checkbox"/>

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