



FNSACC421

ASSESSOR GUIDE

## Prepare financial reports

Assessment 2 of 3

Project

## Assessment Details

### Task overview

This assessment requires you to complete five (5) tasks to test your knowledge and skills required for this unit. To be assessed as competent, you must complete all tasks required.

### Additional resources and supporting documents

To complete this assessment, you will need the following:

- Access to learning materials
- Access to a computer and the internet
- Access to Microsoft Word
- Access to Microsoft Excel

### Supporting Documents

- Excel Documents
  - Asset Register
  - Excel Workbook
- Policies and procedures
  - Bounce Fitness Accounting Policies and Procedures.pdf

## 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.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Task instructions

### Assessment Summary

For this assessment, you must maintain an asset register, record general journal adjustments, and prepare final general ledger accounts and end-of-period financial reports using data for the simulated business, Bounce Fitness. You will then consolidate your experience by creating a process document for others to follow.

### Resources and Equipment Required:

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- Access to Microsoft Word
- Access to Microsoft Excel
- Bounce Fitness Accounting Policies and Procedures.pdf
- Asset Register
- Excel Workbook

### Background Information

Bounce Fitness is a fitness studio that commenced operating in 2018. It is currently trading in the 2022 financial year (1 July 2021 to 30 June 2022) and operates as a sole trader using an accrual accounting system. Peta Strong is the owner and proprietor of the business.

For this assessment, you will assume the role of Jordan Weight, administrative assistant for Bounce Fitness. You directly report to Peta Strong, who has asked you to prepare a set of financial reports for the business for the 2022 financial year (1 July 2021 to 30 June 2022).

When preparing the financial reports, you must follow Bounce Fitness' Accounting Policies and Procedures, reports and code of ethics. These documents will guide you through the tasks you must complete for this assessment.

The following supporting documents are required to complete the assessment:

- Bounce Fitness Accounting Policies and Procedures.pdf
- Asset Register
- Excel Workbook

This assessment is divided into six (6) tasks:

- Task 1 - Asset register
- Task 2 - Record General Ledger Balances
- Task 3 - Close Special Journals and post account balances to the General Ledger
- Task 4 - Record Balance Day Adjustments
- Task 5 - Follow Organisational Policies and Procedures
- Task 6 - Write a process for maintaining an asset register and associated depreciation schedule

## Task 1 – Asset Register

For this assessment task, you must produce the final asset register and depreciation schedule for Bounce Fitness for the 2022 financial year.

### Resources and Equipment Required

Download the following files:

- Asset Register
- Bounce Fitness Accounting Policies and Procedures

## Marking Guide

### Purpose of the Task

Candidates must demonstrate their ability to complete a detailed asset register and produce a depreciation schedule for the 2022 financial year.

Candidates must download FNSACC421\_02\_Project\_Asset Register to complete this task. They must also refer to and apply Bounce Fitness Accounting Policies and Procedures when producing the asset register.

#### *Asset Registers*

*The company has chosen not to take advantage of the small business income tax concessions, and the depreciation method will be in accordance with the classes of assets shown below.*

*Assets costing less than \$1,000.00, excluding tax, will be pooled into the low-value pool and depreciated at 18.75% in the first year and 37.5% after that using the diminishing value method of depreciation.*

*Assets costing more than \$1,000.00, excluding tax, must have an asset register card created for the item, grouped into one of the asset groups, and depreciated according to its effective life on the ATO table for the asset.*

*Assets will be grouped as follows:*

- *Office equipment will have an effective life of five (5) years, with a diminishing value depreciation rate of 40%.*
- *Motor vehicles will have an effective life of eight (8) years and be depreciated using the straight-line method.*

Use the tabs in the [Asset Register](#) to update or create a new asset card for each of the three assets below.

- a. The Epson colour laser printer (Tab 1 - Asset Register) was purchased in Jan 2020. As a result, the asset card has no depreciation values for the 2020 or 2021 financial years. Calculate and enter the depreciation values for each year (considering the asset's purchase date) to 30 June 2022. Use the appropriate depreciation methods indicated in Bounce Fitness Accounting Policies and Procedures.
  - Colour laser printer (use Tab 1 - Asset Register)
    - Asset No: OE01
    - An effective life of five (5) years
    - estimated salvage value of \$50.00

The following information has been provided to candidates in the asset card (Tab 1 – Asset Register)

Asset No:	OE01
Asset Category:	Office Equipment
Depreciable Costs:	\$3,410
Serial Number:	EP1233984298NJ
Purchase Date:	21-Jan-20
Purchased From:	Cam's Computer Supplies
New/Second Hand:	New

Using the information provided in the asset card and Bounce Fitness Accounting Policies and Procedures, candidates must calculate the depreciation amount, accumulated depreciation and written down value of the asset for 30 June 2020, 2021 and 2022.

The answers provided by the candidate must match the exemplar answer provided in **FNSACC421\_02\_Project\_Asset Register Tab 1- Asset Register**.

b. Using the information and invoices provided below, record the assets in Bounce Fitness's Asset Register:

- Motor vehicle (use Tab 2 - Asset Register)
  - Asset No: MV01
  - the effective life of eight (8) years
  - estimated salvage value of \$5,000.00
- Photocopier (use Tab 3 - Asset Register)
  - Asset No: OE02
  - An effective life of five (5) years
  - estimated salvage value Nil

Round up the depreciation values to whole dollars. To calculate the pro-rata depreciation for the year of purchase, use <https://www.timeanddate.com/date/duration.html>

You must include the end date in calculation.

Using the information provided above, Bounce Fitness Accounting Policies and Procedures and the Toyota and Officeworks invoices (see below), candidates must calculate the depreciation amount, accumulated depreciation and written down value of the assets for 30 June 2022.

**Please refer to**

- The answers provided by the candidate must match the exemplar answer provided in **FNSACC421\_02\_Project\_Asset Register Tab 2 - Asset Register (Motor vehicle asset)**.

Please note candidates only need to record the depreciation to 10 May 2022, as in Task 4 of this assessment, the motor vehicle was sold.

- The answers provided by the candidate must match the exemplar answer provided in FNSACC421\_02\_Project\_Asset Register Tab 3 - Asset Register (Photocopier asset)
- c. Using the information entered in the asset register, prepare the depreciation schedule (Tab 4 – Depreciation Schedule) for the end of June 2022. The low-value asset pool has been included for 2021 to enable you to calculate the value of the low-value assets for 2022.

Calculate the total of the following:

- Original Cost
- Opening Written Down Value
- Depreciation
- Closing Written Down Value

Please save a copy of the depreciation schedule, as you will need to reference it and include figures in tasks 3 and 4 of this assessment.

Candidates must use the asset and depreciation information from the asset cards to generate the depreciation schedule.

- Office equipment must be depreciated using the diminishing value method, and motor vehicles must be depreciated using the straight-line method.
- Depreciation days claimed have been calculated using <https://www.timeanddate.com/date/duration.html>. The end date has not been used in the calculation as this will add an additional day.
- The low-value pool has a closing written-down value of \$900.00 as of 01/07/2021. Therefore, candidates must depreciate the written down value at 37.5% using the diminishing value method of depreciation.
- Candidates must include the depreciation and closing written down value in the trial balance in Assessment 3.

The answers provided by the candidate must match the exemplar answer provided in Asset Register Tab 4 – Depreciation Schedule.

Use the checklist in the contents tab to ensure you have completed all parts of the task. Finally, save the workbook using the naming convention: FNSACC421\_02\_Project\_Asset Register\_Candidates\_Name and upload it to the LMS for assessment.



# Tax Invoice

**OLDMAC TOYOTA**

113 Register Ave

Sydney NSW 2000

accounts@oldmactoyota.com.au

**ABN: 39 474 123 111**

Invoice No. 2528

15/08/2021

TO: Bounce Fitness  
123 Steel Road  
SYDNEY NSW 2000

Description	QTY	Unit Price	Tax	Amount Due
2021 Toyota C-HR Pearl White Continuous Variable Wagon Registration - 40IFNS	1	40,000.00	4,000	44,000.00



Sub Total	<b>\$ 44,000.00</b>
Discount	
GST included	<b>\$ 4,000.00</b>
Total Amount	<b>\$ 44,000.00</b>

**THANK YOU FOR YOUR BUSINESS**



# Tax Invoice

TO: Bounce Fitness  
123 Steel Road  
SYDNEY NSW 2000

123 Anywhere St.  
Sydney NSW 2000  
accounts@officeworks.com.au

**ABN: 34 444 999 111**

Invoice No. 38945  
25/03/2022

Description	QTY	Unit Price	Tax	Amount Due
Toshiba Photocopier Serial No: TPC85469712946	1	20,000.00	10%	20,000.00

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	<b>Sub Total</b>	<b>\$ 20,000.00</b>
	<b>Discount</b>	
	<b>GST</b>	<b>\$ 2,000.00</b>
<b>PLEASE MAKE PAYMENTS TO:</b>	<b>Total Amount</b>	<b>\$ 22,000.00</b>

Cash Sale

**THANK YOU FOR YOUR BUSINESS**



## Task 2 Record General Ledger Balances

For this assessment task, you must record the general journal entries for balance day adjustments and prepare final general ledger accounts.

### Resources and Equipment Required

- Excel Workbook.

Using the information provided in the Bounce Fitness Trial Balance – 30 June 2022, enter the June balances into the Excel Workbook, Tab – 1 General Ledger.

**Note:** All balances are to be dated 30 June 2022.

<b>Bounce Fitness Trial Balance – 30 June 2022</b>			
<b>Acct#</b>	<b>Account Name</b>	<b>Debit</b>	<b>Credit</b>
1-1100	Suncorp Bank	20,000.00	
1-1200	Debtors (Accounts Receivable)	42,000.00	
1-1300	Prepaid Expense	1,212.00	
1-1400	Stock on Hand	85,000.00	
1-1500	Office Equipment at Cost	23,410.00	
1-1550	Office Equipment - Accumulated Depreciation		9,275.00
1-1600	Motor Vehicles at Cost	40,000.00	
1-1800	Low-Value Asset Pool	1,090.00	
1-1850	Low-Value Asset Pool - Accumulated Depreciation		204.00
2-1200	Creditors (Accounts Payable)		28,000.00
2-1310	GST Collected		5,200.00
2-1330	GST Paid	4,400.00	
2-2700	Bank Loan		45,010.00
3-3100	Capital		95,478.00
3-3200	Drawings	5,455.00	
4-4100	Sales		252,900.00
5-5200	Purchases	101,000.00	
6-6100	Advertising	12,000.00	
6-6200	Accounting Fees	6,000.00	
6-6400	Bank Charges	800.00	
6-6600	Lease of Premises	11,000.00	
6-6700	Motor Vehicles Expenses	5,500.00	
6-6800	Superannuation	7,200.00	
6-6900	Wages	70,000.00	
		<b>436,067.00</b>	<b>436,067.00</b>

## Marking Guide

### Purpose of the Task

This task is designed to demonstrate the candidate's ability to record general journal entries for balance day adjustments and prepare final general ledger accounts.

Candidates must download [FNSACC421\\_02\\_Project\\_Excel Workbook](#) to enter the 30 June 2022 trial balances.

Opening balances must be recorded in the general ledger dated 30/06/2022, and the value is input as either debit or credit.

3-3100		Capital			
Date	Particulars	Ref	Debit	Credit	Balance
30/06/2022	Balance			95,408.00	95,408.00

The Office Equipment @ Cost ledger account includes the purchase price of both the Epson colour laser printer and the Toshiba photocopier.

1-1500		Office Equipment @ Cost			
Date	Particulars	Ref	Debit	Credit	Balance
30/06/2022	Balance		23,410.00		23,410.00

The answers provided by the candidate must match the exemplar answer provided in FNSACC421\_02\_Project\_Excel Workbook Tab 1 – General Ledger.

### Task 3 Close special journals and post account balances to the general ledger

Access the Excel Workbook that you used in task 2.

In Tab 2 – June Special Journals, close off the Cash Receipts Journal, Cash Payments Journal, Sales Journal and Purchase Journal at 30 June 2022. Post special journal balances to general journals in Tab 1.

#### Marking Guide

##### Purpose of the Task

This task is designed to demonstrate the candidate's ability to apply double-entry bookkeeping principles to post revenue and expense account balances to the final general ledger accounts system.

Candidates must balance the individual columns in the cash receipts, cash payments, sales, and purchase journal before posting to the general ledger accounts.

Amounts listed in the 'Sundries' column of the cash payments journal must be posted to the individual accounts indicated.

General Journal totals must agree with the sample answers below.

Cash Receipts Journal – June 2022											CRI2
Date	Particulars	Ref No.	Discount Given			Debtor	Cash Sales	Sundries		GST Coll	Bank
			Debtors	Disc Given	GST Coll			Amount	Account		
18/06/2022	Exercise Equip Hire	771	\$ 56.00	\$ 50.00	\$ 5.00	\$ 2,783.00					\$ 2,783.00
22/06/2022	Cash Sales	EFTPOS					\$ 5,500.00			\$ 550.00	\$ 6,050.00
<b>Total</b>			<b>\$ 56.00</b>	<b>\$ 50.00</b>	<b>\$ 5.00</b>	<b>\$ 2,783.00</b>	<b>\$ 5,500.00</b>			<b>\$ 550.00</b>	<b>\$ 8,833.00</b>

Cash Payments Journal – June 2022											CPI2	
Date	Particulars	Ref No.	Discount Taken			Creditors	Cash Purchases	Wages	Sundries		GST Paid	Bank
			Creditors	Disc Taken	GST Paid				Amount	Account		
5/06/2022	Drawings	ATM							\$ 300.00	3-3200		\$ 300.00
23/06/2022	Advertising	Bpay							\$ 3,000.00	6-6100	\$ 300.00	\$ 3,300.00
25/06/2022	Creditor - JP Smith Pty Ltd	CH234	\$ 44.00	\$ 40.00	\$ 4.00	\$ 1,500.00						\$ 1,500.00
28/06/2022	Lease of Premises	BPay							\$ 2,500.00	6-6600	\$ 250.00	\$ 2,750.00
30/06/2022	Bank Charges	Direct							\$ 35.00	6-6400		\$ 35.00
<b>Total</b>			<b>\$ 44.00</b>	<b>\$ 40.00</b>	<b>\$ 4.00</b>	<b>\$ 1,500.00</b>					<b>\$ 550.00</b>	<b>\$ 7,885.00</b>

Sales Journal – June 2022						SJ1
Date	Debtor	Ref No	Sales	GST Collected	Debtor Total	
02/06/2022	Personal Training	5682	\$ 6,190.00	\$ 619.00	\$ 6,809.00	
18/06/2022	Monthly Training Plan	5683	\$ 6,500.00	\$ 650.00	\$ 7,150.00	
26/06/2022	Corporate Training	5684	\$ 1,000.00	\$ 100.00	\$ 1,100.00	
<b>Total</b>			<b>\$ 13,690.00</b>	<b>\$ 1,369.00</b>	<b>\$ 15,059.00</b>	

Purchase Journal – June 2022						PJ1
Date	Creditors	Ref No	Purchases	GST Paid	Creditors Total	
16/06/2022	Fitness Equipment Pty Ltd	47328	\$ 10,237.00	\$1,023.70	\$ 11,260.70	
23/06/2022	Fit Food Pty Ltd	TP23442	\$ 8,546.00	\$854.60	\$ 9,400.60	
<b>Total</b>			<b>\$ 18,783.00</b>	<b>\$ 1,878.30</b>	<b>\$ 20,661.30</b>	

## Task 4 Record Balance Day Adjustments

An analysis of Bounce Fitness has revealed additional data on the 2022 financial year accounts. Therefore, you must record a balance day adjustment for each subtask below. Use number of months (not days) to adjust balances.

### Task 4a - Adjusting Entry for Public Liability and Professional Indemnity Insurance

Review the Allianz tax invoice.

On 31 May, Peta paid the Allianz invoice and recorded the following transaction.


Date	Folio	Particulars	Debit	Credit
31/05/2022	1-1300	Prepaid Expense	1,200.00	
	1-1300	Prepaid Expense (Stamp Duty)	12.00	
	2-1330	GST Paid	120.00	
	1-1100	Suncorp Bank		1,332.00
		<i>Insurance 01/06/2022 - 31/05/2023</i>		

In Tab 3 - General Journal Task A2T4a, prepare an adjusting journal entry for the expired prepaid insurance at 30 June 2022.

## Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4a completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4a general journal entry must correspond with the benchmark answer below.



### Bounce Fitness General Journal

	Date	Folio	Particulars	Debit	Credit
Task A2T4a	30/06/2022	6-6980	Insurance	101.00	
		1-1300	Prepaid Expense		101.00
			<i>Expired Prepaid Insurance for June 2022</i>		



## Tax Invoice

**TO: BOUNCE FITNESS**  
123 Steel Road  
SYDNEY NSW 2000

Allianz Australia Limited  
GPO Box 4049  
Sydney NSW 2001,

Invoice No. 528731  
01/05/2022

ABN: 21 000 006 2261

Description	Amount Due
POLICY No SZ28884996 Public Liability and Professional Indemnity cover	1320.00 GST Inc
Stamp Duty	12.00 N-T

**Coverage Period 01/06/2022 - 31/05/2023**

<b>Sub Total</b>	<b>\$1200.00</b>
GST	\$120.00
Stamp Duty	\$12.00
<b>Total Amount</b>	<b>\$1332.00</b>



**Payment due by 31/05/2022**

### Task 4b - Writing Off a Debt

Bounce Fitness has been advised that one of its clients, Eastland, has been declared bankrupt.

In Tab 3 - General Journal Task A2T4b, use the allowance method to write off Eastland's debt amounting to \$4,400.00 (including GST). Date the transaction 30 June 2022.

### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4b completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4b general journal entry must correspond with the benchmark answer below.



## Bounce Fitness General Journal

Task	Date	Folio	Particulars	Debit	Credit
A2T4b	30/06/2022	6-6300	Bad Debts	4,000.00	
		2-1330	GST Collected	400.00	
		1-1200	Debtors - Eastland		4,400.00
			<i>Eastland Bad Debt Written off</i>		

### Task 4c – Allowance for Unpaid Wages

On 30 June 2022, Bounce Fitness owed its employees \$2,500 in wages that were paid on 05 July 2022. In Tab 3 - General Journal Task A2T4c, create an accrual for unpaid wages. Date the transaction 30 June 2022. No allowance is necessary for superannuation or PAYG withholding on wages.

### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4c completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4c general journal entry must correspond with the benchmark answer below.



## Bounce Fitness General Journal

Task	Date	Folio	Particulars	Debit	Credit
A2T4c	30/06/2022	6-6900	Wages	2,500.00	
		2-2500	Accrued Expense (Wages)		2,500.00
			<i>Wages Earned but not yet due for Payment</i>		

### Task 4d – Interest Payable

On 1 May, Bounce Fitness borrowed \$45010.00 from Suncorp Bank for five (5) years as an interest-only loan. The interest rate is 12% per year, with interest payments required quarterly. The first interest payment is due on 31 July for three months (May – July). In Tab 3 - General Journal Task A2T4d, create an adjusting journal entry for the interest payable to 30 June 2022.

### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4d completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

The Interest amount has been calculated  
 Loan \$45010.00 x 12% = \$5401.20 / (2/12) = \$900.20

Their Task A2T4d general journal entry must correspond with the benchmark answer below.



**Bounce Fitness General Journal**

Task	Date	Folio	Particulars	Debit	Credit
A2T4d	30/06/2022	6-6550	Interest	900.20	
		2-2500	Accrued Expense (Interest)		900.20
			Interest Accrued but not yet due for Payment		

#### Task 4e – Stock Adjustment

Bounce Fitness sells a range of retail products to supplement its cash flow. A physical stocktake completed on 30 June 2022 shows a stock value of \$84,000.00.  
 In Tab 3 - General Journal Task A2T4e, create an adjusting journal entry to reduce the stock on hand to account for obsolete and damaged stock.

#### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4e completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4e general journal entry must correspond with the benchmark answer below.



**Bounce Fitness General Journal**

Task	Date	Folio	Particulars	Debit	Credit
A2T4e	30/06/2022	5-5100	Stock Adjustment	1,000.00	
		1-1400	Stock on Hand		1,000.00
			Adjustment for Obsolete and Damaged Stock		

#### Task 4f – Allowance for Doubtful Debts

After aging their debtors (excluding the Eastland debt, which has been written off), Bounce Fitness estimated that customer debts that will become uncollectable in the future will be \$4200.  
 In Tab 3 - General Journal Task A2T4f, record an allowance for doubtful debts on 30 June 2022.

#### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4f completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4f general journal entry must correspond with the benchmark answer below.

		Bounce Fitness General Journal			
Task	Date	Folio	Particulars	Debit	Credit
A2T4f	30/06/2022	6-6300	Bad Debt Expense	4,200.00	
		1-1250	Provision for Doubtful Debts		4,200.00
			Estimated Debtors that will be Uncollectable		


#### Task 4g – Revenue Received in Advance

Bounce Fitness has received \$3585.00 from clients for fitness classes that will be held in July and August. In Tab 3 - General Journal Task A2T4g, create a journal entry to recognise the amount received in advance for prepaid fitness classes on 30 June 2022.

### Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4g completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Their Task A2T4g general journal entry must correspond with the benchmark answer below.

		Bounce Fitness General Journal			
Task	Date	Folio	Particulars	Debit	Credit
A2T4g	30/06/2022	4-4100	Sales	3,585.00	
		2-2800	Revenue Received in Advance		3,585.00
			To Recognise Revenue Received in Advance		

#### Task 4h – Accounting for the Sale of an Asset & Depreciation

Access [FNSACC421\\_02\\_Project\\_Asset Register](#) used in Task 1.

Consider the following: On 30 June 2022, the Toyota Motor Vehicle was sold for \$25,000.00 plus GST. The purchaser paid by cheque. Bounce Fitness did not deposit the cheque until 3 July 2022

In Tab 3 - General Journal Task A2T4h record the disposal of the asset and account for the depreciation up to the date of disposal. For this instance, include the date of the sale in your depreciation calculation.




Update your Bounce Fitness Asset Register using the FNSACC421\_02\_Project\_Asset Register Tab 2 - Asset Register and Tab 4 - Depreciation Schedule tabs. Account for the calculated depreciation and disposal information. Be sure to account for the asset's sale, the loss incurred on that sale and the removal of its remaining cost from the balance sheet. Use general ledger account 1-1150 to record the undeposited cheque.

## Marking Guide

Candidates must submit their Asset Register with Tab 2 – Asset Register and Tab 4 – Depreciation updated. Answers have been entered in green to differentiate them from Task 1 answers.

Candidates updated Tab 2 - Asset Register must correspond with the following benchmark answer.

						
Asset: <b>Toyota Motor Vehicle</b>						
Asset No:			MV01		Purchased From: Oldmac Toyota	
Asset Category:			Motor Vehicle		New/Second Hand: New	
Depreciable Costs:			\$40,000		Effective Life: 8 Years	
Serial Number:			Registration 401FNS		Depreciation Method: Straight Line	
Purchase Date:			15-Aug-21		Dep. Percentage: 12.5%	
Date	Details	Cost		Depreciation	Accumulated Depreciation	Written-Down Value
		Exclusive	GST			
15-Aug-21	Purchase	\$40,000	\$4,000			\$40,000
30-Jun-22	Depreciation			\$3,836	\$3,836	\$36,164
Date of Disposal:			30-Jun-22		Disposal Price Ex GST: \$25,000	
Authorised by:			Student Name		Gain/Loss: -\$11,164	
Details of Repairs and Maintenance						
Date:	Repairer	Cost		Remarks		

Candidates updated Tab 4 – Depreciation Schedule must correspond with the following benchmark answer:

### 2022 Depreciation Schedule

Asset No	Description	Acquisition Date	Depreciation Start Date	Depreciation End Date	Depreciation Days Claimed	Days in Year	Useful Life in Years	Depreciation Method	Original Cost	Depreciation Percentage	Opening Written Down Value	Depreciation Claimed	Closing Written Down Value
<b>OFFICE EQUIPMENT</b>													
OE01	Epson Colour Laser Printer	23/01/2020	1/07/2021	30/06/2022	365	365	5	Diminishing Value	\$ 2,410.00	40%	\$ 1,689	\$ 676	\$ 1,013
OE02	Toshiba Photocopier	25/03/2022	26/03/2022	30/06/2022	98	365	5	Diminishing Value	\$20,000	40%	\$ 20,000	\$ 2,148	\$ 17,852
									<b>\$23,410.00</b>		<b>\$ 21,689</b>	<b>\$ 2,624</b>	<b>\$ 18,865</b>
<b>MOTOR VEHICLES</b>													
MV01	2021 Toyota C-HR Wagon	19/08/2021	19/08/2021	30/06/2022	320	320	8	Straight Line	\$40,000.00	12.5%	\$ 40,000.00	\$ 3,835	\$ 36,165
									<b>\$40,000.00</b>		<b>\$ 40,000</b>	<b>\$ 3,836</b>	<b>\$ 36,164</b>
<b>LOW VALUE POOL FIRST YEAR (2021)</b>													
Low Value Asset Pool								First Year Rate Diminishing	NA	10.75%	\$ 1,090	\$ 204	\$ 886
									<b>0</b>		<b>\$ 1,090</b>	<b>\$ 204</b>	<b>\$ 886</b>
<b>LOW VALUE POOL SUBSEQUENT YEAR (2022)</b>													
Low Value Pool								Subsequent Year Rate Diminishing		37.50%	\$ 886	\$ 332	\$ 554
									<b>0</b>		<b>\$ 886</b>	<b>\$ 332</b>	<b>\$ 554</b>
									<b>\$63,410.00</b>		<b>\$ 62,575</b>	<b>\$ 6,991</b>	<b>\$ 55,583</b>

Candidates must also submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4h completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Candidates' Task A2T4h general journal entries must correspond with the benchmark answer below.

### Bounce Fitness General Journal

Task	Date	Folio	Particulars	Debit	Credit
A2T4h	30/06/2022	6-6500	Depreciation	3,835.62	
		1-1650	Motor Vehicle Accumulated Depreciation		3,835.62
			Depreciation Expense Aug 2021-June 2022		
A2T4h	30/06/2022	1-1150	Undeposited Cheques	27,500.00	
		1-1650	Motor Vehicle Accumulated Depreciation	3,835.62	
		6-6970	Loss on Sale of Asset	11,164.38	
		2-1310	GST Collected		2,500.00
		1-1600	Motor Vehicle		40,000.00
			Disposal of MV - Loss on Sale - Removal from Balance Sheet		

#### Task 4i – Accounting for the Depreciation for Office Equipment & LVP

Access [FNSACC421\\_02\\_Project\\_Asset Register](#) used in Task 1.

In Tab 3 - General Journal, Task A2T4i, record the depreciation for all assets (except for the motor vehicle, as it is already accounted for in the previous task) using the date 30 June 2022.

## Marking Guide

Candidates must submit their updated FNSACC421\_02\_Project\_Excel Workbook with Tab 3 - General Journal Task A2T4i completed. The journal entry must have a double red line under the journal and not extend across the debit and credit columns to indicate the end of the journal entry as per Bounce Fitness's Accounting Policies and Procedures.

Candidate's Task A2T4i general journal entry must correspond with the benchmark answer below.



Bounce Fitness General Journal

Task	Date	Folio	Particulars	Debit	Credit
A2T4i	30/06/2022	6-6500	Depreciation Expense	3,156.00	
		1-1550	Office Equipment - Accumulated Depreciation		2,824.00
		1-1850	Low Value Asset Pool - Accumulated Depreciation		332.00
			<i>To record accumulated depreciation on assets</i>		

## Task 5 - Follow Organisational Policies and Procedures

You have now completed all tasks before the preparation of financial reports. Bounce Fitness's Policies and Procedures state that you must schedule a meeting with your accountant, Benny Beancounter, before posting to the general ledger and preparing the financial reports.

Access the following documents and review the following tabs for completeness and accuracy before completing this task:

- FNSACC421\_02\_Project\_Excel Workbook
  - Tab 2 – June Special Journals
  - Tab 3 – General Journal
  
- FNSACC421\_02\_Project\_Asset Register
  - Tab 1 – Asset Register
  - Tab 2 – Asset Register
  - Tab 3 – Asset Register
  - Tab 4 - Depreciation Schedule

Save the files locally to your computer using the naming convention:

- FNSACC421\_02\_Project\_Excel Workbook\_candidates\_name
- FNSACC421\_02\_Project\_Asset Register\_candidates\_name

Using the email template below, compose an email addressed to Benny Beancounter advising him that you have completed all tasks and ask to meet with him to:

- Review the accounts and any adjusting journal entries that have been processed
- Identify and correct or refer errors for resolution in alignment with organisational policy and procedures
- seek approval before the posting process and preparing the financial reports.

Save and upload this assessment document and the files you have saved to your computer to the LMS for marking.

(Approximate word count: between 90 - 110 words)

## Marking Guide

### Email template

+ Send	From:	Candidates Name
	To:	Benny Beancounter
	Cc:	
	Subject:	Bounce Fitness End of Financial Year Financial Reports

Good Afternoon Benny

I hope you are well.

I have completed all the end-of-financial-year tasks required before posting and finalising the financial reports for Bounce Fitness and would like to schedule a time to meet with you to:

- Review the accounts and the adjusting journal entries that I have processed
- Identify and correct or refer any errors for resolution,
- obtain your approval to post the journal entries to the ledger accounts and prepare the financial reports.

Could you please advise your availability in the next two days?

Thank you.

Best regards,

Candidates Name

## Task 6 – Write a process for maintaining an asset register and associated depreciation schedule

Bounce Fitness's accountant Benny Beancounter has been impressed with how you handled all the instructions and tasks set. He has asked you to draw on your experience and create a new formalised step-by-step process for maintaining the asset register and associated depreciation schedule

In this task, you will draw on your experience in tasks 1 to 4, then draw up a new ordered step-by-step process for maintaining the asset register and associated depreciation schedule. (Word count: between 250- 350 words)

Ensure you include the following:

- How the asset information master data standard is used
- How physical assets will be validated
- How asset information system data will be saved and stored

Save the files locally to your computer using the naming convention:

- FNSACC421\_02\_Asset\_register\_Process\_candidates\_name

Save and upload this assessment document and the files you have saved to your computer to the LMS for marking.

### Marking Guide

This task is designed to demonstrate the candidate's ability to create a process. Candidates must submit their FNSACC421\_02\_Asset\_register\_Process\_candidates name. In addition, they should include an ordered step-by-step process, ensuring they include the following information in line with the benchmark answer below using between 250- 350 words.

Process for maintaining the asset register and associated depreciation schedule

#### How the asset information master data standard is used

The data collected needs to be useful to the organisation to enable asset management functions. The master data asset attribute information the user develops must be aligned with the asset information system and its functionality).

A Base level set of asset data to be collected would include:

- **Asset Identification Data:**
  - Asset ID, Name, Description, etc.
  - A descriptive name familiar to stakeholders. The description needs sufficient detail to identify the applicable asset classification.
- **Asset Location:**
  - Specifies the spatial whereabouts of the asset being evaluated
- **Valuation data:**
  - Used to identify the value and actual lives of each asset.
- **Asset Condition:**
  - Used for decision-making and the analysis of the effective life and the Effective life according to the ATO
- **Asset Type :**
  - Asset Classification

Typically, fixed asset registers include, for example, the following categories:

- Asset number
- Asset description
- Cost
- Purchase date

- Useful life
- Method of depreciation
- Yearly depreciation
- Accumulated depreciation
- Net realisable value (NRV)
- Residual value

#### **Validation of physical assets**

The information captured in the data records needs to be aligned with the master data standard. As part of asset validation, the user will need to perform a visual condition assessment for each item; the user can verify records as accurate with declaration checklists or capture information confirming asset details and conditions with digital photography.

#### **Saving and storing the Asset information system data**

Once the data has been created and saved, the user can export it and any associated photo media in the format required by the organisation's systems in conjunction with their IT department.

## Submission instructions

Submit your assessment via the LMS.

## Assessment Checklist

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

Task 1	Tab 1-Asset Register Tab 2-Asset Register Tab 3-Asset Register Tab 4-Depreciation Schedule	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Task 2	FNSACC421_02_Project_Excel Workbook Tab 1-General Ledger	<input type="checkbox"/>
Task 3	FNSACC421_02_Project_Excel Workbook Tab 1-General Ledger FNSACC421_02_Project_Excel Workbook Tab 2-June Special Journals	<input type="checkbox"/> <input type="checkbox"/>
Task 4	FNSACC421_02_Project_Excel Workbook Tab 3-General Journal FNSACC421_02_Project_Asset Register Tab 2-Asset Register FNSACC421_02_Project_Asset Register Tab 4-Depreciation Schedule	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Task 5	Email Template	<input type="checkbox"/>
Task 6	Process for maintaining an asset register and associated depreciation schedule	<input type="checkbox"/>

**Congratulations, you have reached the end of Assessment 2**

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