

External assessment 2023

Stimulus book

Accounting

General instruction

- Work in this book will not be marked.

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Case study 1 (Stimulus 1) Whitegoods Retailer

Stimulus 1

The owner of Whitegoods Retailer has asked you to finalise their account balances for the year ended 30 June 2023. They have provided a list of account balances, but there are two issues the owner does not know how to record.

Issue 1

A range of freezers had to be heavily discounted to sell. The two remaining freezers in that range are to be recorded at their net realisable value. The details for the two freezers (not including GST) are shown.

Current selling price per freezer	\$975
Original purchase price per freezer	\$1 399.50
Marketing costs for the two freezers	\$145

Issue 2

Whitegoods Retailer's bank statement revealed that on 20 June 2023, the business received 40 cents in the dollar from a customer whose account balance of \$8 790 had been written off as a bad debt on 31 December 2021. GST was applicable on the initial sale. Round any calculations made to the nearest dollar.

Case study 2 (Stimulus 2–3) Camilla’s Coffee Van

Stimulus 2

Camilla sells packets of flavoured coffee beans and ground coffee from her van. She employs a casual to make coffees for customers so they can taste the coffee she is selling. Camilla’s friend lets her park her coffee van overnight on his property, for which she pays rent.

Camilla has established a loyal customer base over three years of operation and has been thinking about converting her business to a shopfront with a cafe. She approached her bank about a loan for this, presenting her account balances for the years ended 30 June 2022 and 30 June 2023. The bank manager has asked for fully classified Statements of Profit or Loss and Financial Position for the two financial years. They said that Camilla’s business would need to be increasing net profit by 10% year-to-year and that the equity ratio in 2023 must be at least 60% for the bank to consider her loan application. Camilla has asked you for help preparing the relevant information for the bank and to advise her as to the likelihood of meeting the bank’s requirements.

Stimulus 3**Camilla's Coffee Van
List of Account balances as at 30 June**

	2023		2022	
	DR	CR	DR	CR
Account	\$	\$	\$	\$
Accounts payable		18 000		15 000
Accumulated depreciation — coffee van		3 300		2 000
Advertising	250		460	
Bank loan due 5 November 2025		12 000		13 000
Capital		171 550		168 120
Cash at bank	76 005		70 000	
Coffee van	120 000		120 000	
Coffee van expenses	14 000		12 000	
Cost of goods sold	26 000		25 000	
Depreciation — coffee van	1 300		1 300	
Drawings	1 200		1 000	
Electricity	550		500	
GST clearing		560		450
Insurance	1 500		1 500	
Interest on loan	790		790	
Inventories	13 000		12 000	
Rent	990		900	
Sales		92 300		85 000
Telephone	125		120	
Wages — barista	42 000		38 000	

Case study 3 (Stimulus 4) The Supermarket Company

Stimulus 4

The Supermarket Company Statement of Financial Position as at 30 June

	2023 \$ ('000)	2022 \$ ('000)	2021 \$ ('000)	2020 \$ ('000)
Current assets				
Cash and cash equivalents	3 435	474	4 099	20 352
Receivables	71 174	91 360	64 635	52 588
Inventories	130 780	124 701	86 272	74 837
Prepayments	2	0	4 376	3 948
Other	5 074	5 038	2 604	3 000
Total current assets	210 465	221 573	161 986	154 725
Non-current assets				
Loans to other parties	840	624	250	218
Investments	877	11 377	1 866	726
Intangibles	39 882	42 764	14 521	14 092
Property, plant and equipment	217 466	222 983	182 382	200 838
Other	20 842	19 786	34 715	23 285
Total non-current assets	279 907	297 534	233 734	239 159
Total assets	490 372	519 107	395 720	393 884
Current liabilities				
Payables (trade and other creditors and accrued expenses)	133 893	140 985	90 703	74 599
Interest bearing liabilities	20 854	11 607	8	9
Current tax liabilities	11 724	5 070	0	2 352
Other	15 525	11 643	25 331	17 002
Total current liabilities	181 996	169 305	116 042	93 962

	2023 \$ ('000)	2022 \$ ('000)	2021 \$ ('000)	2020 \$ ('000)
Non-current liabilities				
Payables (other creditors)	838	3 217	590	752
Interest bearing liabilities (long-term)	45 421	62 571	53 408	53 645
Other	22 310	22 512	30 265	30 417
Total non-current liabilities	68 569	88 300	84 263	84 814
Total liabilities	250 565	257 605	200 305	178 776
Net assets	239 807	261 502	195 415	215 108
Equity				
Issued capital	40 505	40 505	41 930	41 930
Reserves	-3 142	672	-317	-761
Retained earnings	201 404	219 318	152 880	172 992
Total parent entity interest	238 767	260 495	194 493	214 161
Non-controlling interest	1 040	1 007	922	947
Total equity	239 807	261 502	195 415	215 108

Net Profit	47 898	43 333	1 749	40 326
Gross Profit	166 700	163 916	115 863	153 462
Total sales	1 256 621	1 676 801	1 869 691	1 545 315
Cash sales	543 489	725 216	808 642	668 349

EPS (cents per share)	66	60	2	54
Trade creditors are paid, on average, at 45 days				
Gearing ratio	28%	22%	20%	13%



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