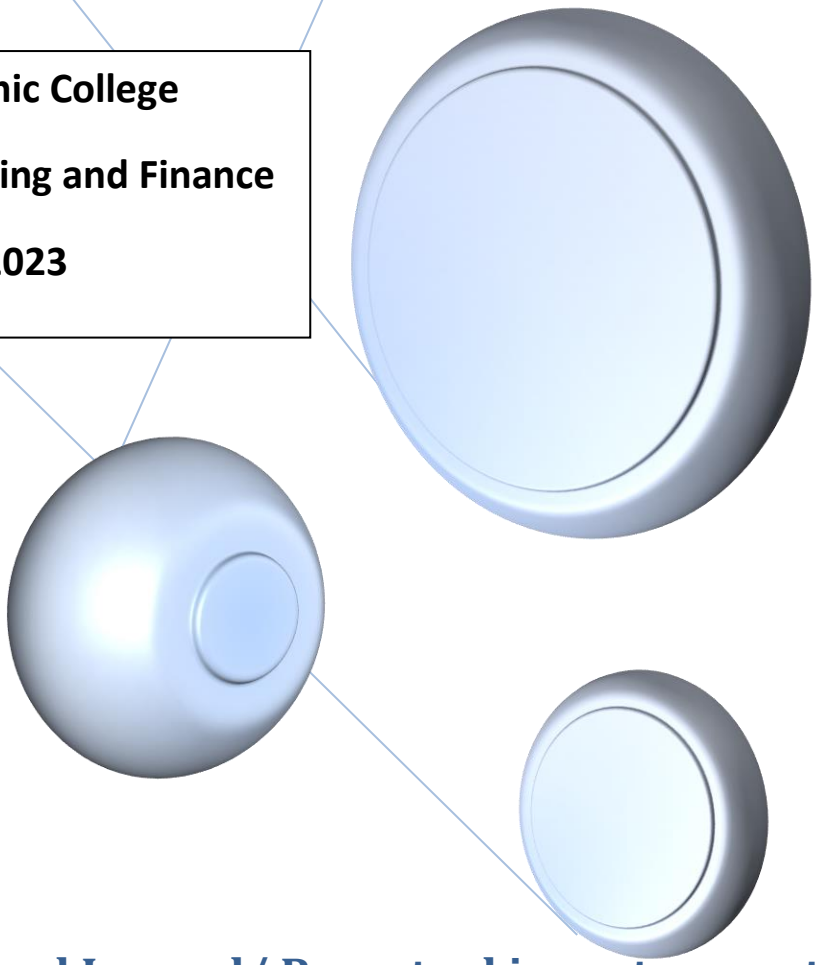
Australian Islamic College

Unit 1 ATAR Accounting and Finance

Year 11 2023



Task 4: General Journal/ Perpetual inventory system

Task: Test
Content: Recording, using and evaluating financial information, financial institutions and systems:
Weighting: 9%
Time Allowed: 50 minutes
Conditions: No notes permitted only non-programmable calculators allowed.

Student Details

Name:
Teachers Name: May Elsaba
Date _____ March 2023

Student Result / Teachers comments

Marks achieved: /60 %
Comments:
_____
_____
_____
_____

Question 1 — 40 marks

Part A — 30 Marks

Enter the following transactions for the Month of April 2023 into the General Journal of Firatol traders.

Round numbers to the nearest dollar if applicable

Date	Transaction
1	Commenced business by depositing $50,000 cash into the business bank account
5	Firatol withdrew $1200 cash from the business for personal use.
7	Purchased inventory on credit from Ramzy traders the business will receive a 4% discount if payment is made within 10 days. Amount of the inventory purchased was $6900 Plus $690 GST
11	Returned faulty inventory to Ramzy traders and was issued with a credit note. Value of inventory returned was $759 Gst inclusive.
13	Sold inventory on credit to Wael for $6600 Gst inclusive cost of inventory sold was $3300.
17	Paid the amount owing to Ramzy and received the discount. (An entry is also required for the GST adjustment).
21	A credit notes was issued to Wael traders for $660 gst inclusive for an overcharge in price. No goods were returned.
22	Paid wages to his assistant Masud $5000
25	Purchased Equipment For $9900 cash Gst inclusive.
30	A letter was received from the administrators of Wael traders, and the amount owed is to be deemed to be as uncollectable.

Part B — 10 marks

Firatol has provided you with the following accounts and has asked that you prepare the closing entries on the 30th June 2023 that relate to following ONLY.

- Determining profit and loss.
- The GST control account.

Account	$
Wages	68,000
Utilities	9,000
Bad debts	7,000
Advertising	4,000
Sales	113,000
Discount received	1,300
Prepaid expenses	5,600
Gst payable	12,000
Gst receivable	5,000
Cash at bank	52,000

General Journal – Firatol Traders (use for part a and part b)

Date	Details	Debit	Credit

Date	Details	Debit	Credit

Date	Details	Debit	Credit

Date	Details	Debit	Credit

Question 3 (20 marks)

a) Explain what is meant by the perpetual inventory system and describe which businesses are more likely to use the perpetual inventory system. (4 marks)

b) Explain THREE advantages of using a perpetual system to record inventory over the periodic system (6 marks)

c) Explain the impact on financial statements if closing entries to income and expense accounts are not made in the accounting system at the end of the accounting period. Describe the impact this will have on users of those reports. (6 marks)

d) Explain the purpose of the GST control account with reference Firatol traders (4 marks)

Extra writing page