



NSW Education Standards Authority

2019 HIGHER SCHOOL CERTIFICATE EXAMINATION

Financial Services

General Instructions

- Reading time – 5 minutes
- Working time – 2 hours
- Write using black pen
- Calculators approved by NESA may be used
- Write your Centre Number and Student Number at the top of pages 9, 13 and 17

Total marks: 80

Section I – 15 marks (pages 2–7)

- Attempt Questions 1–15
- Allow about 20 minutes for this section

Section II – 30 marks (pages 9–20)

- Attempt Questions 16–20
- Allow about 50 minutes for this section

Section III – 15 marks (page 21)

- Attempt Question 21
- Allow about 25 minutes for this section

Section IV – 20 marks (pages 22–24)

- Attempt either Question 22 or Question 23
- Allow about 25 minutes for this section

Section I

15 marks

Attempt Questions 1–15

Allow about 20 minutes for this section

Use the multiple-choice answer sheet for Questions 1–15.

1 What is the main role of the work health and safety committee in a financial services workplace?

- A. To supply protective clothing and equipment
- B. To maintain first-aid facilities in the workplace
- C. To assist in the development of safe work procedures
- D. To provide support for employees injured in the workplace

2 A bank employee is offered concert tickets by a customer. He is not sure if he can accept them.

Which of the following should the employee consult for guidance?

- A. Duty statement
- B. Code of conduct
- C. Workplace manual
- D. Industrial agreement

3 A customer service officer needs to move a printer to another desk.

What is the first thing that the officer should do?

- A. Empty the paper tray
- B. Ask colleagues for assistance
- C. Lift the printer with both hands
- D. Assess the size and weight of the printer

- 4 Which of the following is responsible for enforcing and administering corporation and consumer protection laws in general insurance and banking (except lending) throughout Australia?
- A. Reserve Bank of Australia (RBA)
 - B. Australian Prudential Regulation Authority (APRA)
 - C. Australian Securities and Investments Commission (ASIC)
 - D. Australian Competition and Consumer Commission (ACCC)

5 A business has the following account balances.

Machinery	\$60 000
Accounts payable	\$35 000
Accounts receivable	\$45 000
Bank	\$20 000
Capital	?

What is the capital balance of the business?

- A. \$70 000
 - B. \$90 000
 - C. \$125 000
 - D. \$160 000
- 6 In which of the following situations is a financial services employee most likely to be accessing an intranet?
- A. Maintaining contact with clients via social media
 - B. Researching company policies on a work computer
 - C. Updating their employment profile on a professional networking site
 - D. Obtaining regulatory requirements from the Australian Taxation Office website

- 7 A business uses spreadsheet software to create its purchase orders. Part of a spreadsheet is shown.

	A	B	C	D	E
23	Product ID	Description	Quantity	Unit Price	Amount
24	X1033	Printer–inkjet–colour	2	\$129.00	\$258.00
25	X1028	Binders	10	\$4.59	\$45.90
26	W203	Calculators	6	\$28.50	\$171.00
27					
28				TOTAL	\$474.90

Which pair of formulae could have been used in cell E25 and cell E28?

	Cell E25	Cell E28
A.	=C25 * D25	=sum(E24:E26)
B.	=C25 * D25	=total(E24:E26)
C.	=C25 x D25	=sum(E24:E26)
D.	=C25 x D25	=total(E24:E26)

- 8 Which of the following is likely to be found in a code of practice in the financial services industry?
- A. Detailed requirements for compliance purposes
 - B. Operational procedures for working in the industry
 - C. Guidelines for fair dealing between businesses and customers
 - D. Formal description of the legislative framework related to the industry

- 9 The table shows income tax rates for individuals.

<i>Taxable income</i>	<i>Tax on this income</i>
0 – \$18 200	Nil
\$18 201 – \$37 000	19c for each \$1 over \$18 200
\$37 001 – \$90 000	\$3572 plus 32.5c for each \$1 over \$37 000
\$90 001 – \$180 000	\$20 797 plus 37c for each \$1 over \$90 000
\$180 001 and over	\$54 097 plus 45c for each \$1 over \$180 000

A financial planner has a base salary of \$89 350 per annum and tax deductions totalling \$2550. At the end of the financial year, the planner also receives interest of \$1500 from a bank.

What is the amount of tax that the planner has to pay for the year?

- A. \$19 269.50
 - B. \$19 757.00
 - C. \$20 244.50
 - D. \$20 945.00
- 10 A client has completed a questionnaire relating to retirement.

Which of the following would be the most effective way for a superannuation advisor to explore the client's responses in greater detail?

- A. Follow up on the responses with open questions
- B. Paraphrase the client's responses and offer advice on retirement
- C. Summarise the responses regarding the client's retirement plans
- D. Ask closed questions about retirement to probe the client's needs

- 11** A business owner wrote a cheque for \$110 from her personal bank account to pay for a paper shredder for the business.

How should this transaction be entered in the general journal?

A.

<i>Account details</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Bank	110	
Paper shredder		100
GST		10

B.

<i>Account details</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Paper shredder	100	
GST	10	
Capital		110

C.

<i>Account details</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Capital	110	
Paper shredder		100
GST		10

D.

<i>Account details</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Paper shredder	100	
GST	10	
Bank		110

- 12** A staff member has noticed a small electrical fire starting in the kitchen area of an office.

Which of the following should be the staff member's first course of action?

- A. Contact emergency services
- B. Use a fire hose to extinguish the fire
- C. Seek assistance from the fire warden
- D. Alert other people in the kitchen area

- 13** A business invested \$250 000 in a bank for three years. The interest rate was 6% per annum and interest was compounded yearly.

What was the amount of interest earned in the three years?

- A. \$15 000
 - B. \$15 918
 - C. \$45 000
 - D. \$47 754
- 14** A business purchased a laser printer on 1 August 2018 for \$3150 excluding GST and started using it that day. The laser printer has an effective life of five years with a residual value of \$500 excluding GST.

Using the straight line depreciation method, which of the following is closest to the depreciation expense of the printer for the year ending 30 June 2019?

- A. \$485
 - B. \$530
 - C. \$534
 - D. \$583
- 15** The bank statement of a business shows a debit balance of \$3332 as at 30 September. Outstanding deposits total \$2900 and unpresented cheques total \$3370.

What will be the closing balance as per the bank account in the general ledger of the business as at 30 September?

- A. \$2862 Debit
- B. \$2862 Credit
- C. \$3802 Debit
- D. \$3802 Credit

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Centre Number

Financial Services

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Student Number

Section II

30 marks

Attempt Questions 16–20

Allow about 50 minutes for this section

Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.

Show all relevant working in questions involving calculations.

Question 16 (5 marks)

- (a) A loan officer receives a request for information about a customer. 2

Identify TWO issues that should be considered by the loan officer before disclosing the information.

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- (b) Compare the primary role of professional associations to that of unions in the financial services industry. 3

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Question 17 (6 marks)

- (a) Distinguish between a *hazard* and a *risk*. Include an example of each in your answer. **2**

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- (b) The diagram shows an employee at a workstation in a financial services workplace. **2**



Justify TWO ways to improve the ergonomic design of the workstation.

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Question 17 continues on page 11

Question 17 (continued)

- (c) An office building is to be renovated. To prevent workplace injuries, safety signs will be displayed at various locations throughout the building. **2**

Why are both the colour and positioning of the safety signs important?

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End of Question 17

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Financial Services

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Section II (continued)

Question 18 (9 marks)

Please turn over

Question 18 (9 marks)

- (a) The petty cash transactions for a business in the month of June are shown. The total and reimbursement values have not been included.

<i>Date</i>	<i>Particulars</i>	<i>Voucher /cheque no</i>	<i>Amount received</i>	<i>Amount paid</i>	<i>GST</i>	<i>Travel</i>	<i>Stationery</i>
June							
1	Establish petty cash float	111	200.00				
13	Pens, paper	632		165.00	15.00		150.00
20	Taxi	633		22.00	2.00	20.00	
23	Increase petty cash float	132	100.00				
26	Sticky tape	634		33.00	3.00		30.00
	<i>Total</i>						
30	Reimbursement of petty cash	145					

- (i) Complete the general journal entries related to these petty cash transactions. **3**

General journal

<i>Date</i>	<i>Account name</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
1 June			
23 June			
30 June			

- (ii) Determine the amount of money in the petty cash tin on 29 June. **1**

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Question 18 continues on page 15

Question 18 (continued)

- (b) Using examples, explain the difference between *fixed costs* and *variable costs*. **2**

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- (c) A piece of equipment is purchased on 1 May 2018 for \$18 700 including GST. Its value is depreciable at 30% per annum using the reducing balance method. **3**

Complete the table showing all calculations required to determine the closing carrying amount for 30 June 2018 and 30 June 2019.

<i>Opening carrying amount</i>	<i>Depreciation</i>	<i>Closing carrying amount</i>
		As at 30 June 2018
		As at 30 June 2019

End of Question 18

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Section II (continued)

Question 19 (6 marks)

(a) A type of document commonly used in financial services is shown.

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ABCD Pty Ltd		No. 1237890
ABN: 123 456 789		
Tel: (02) 1234 5689		
Email: admin@abcd.com.au		Date: _____
Shipping/Invoice address:		Customer order no: _____
_____		Order date: _____
_____		Date required: _____
Code	Description	Quantity
Comments:		
Terms and conditions:		Received in good order Yes <input type="checkbox"/> No <input type="checkbox"/>
_____		Print name _____
_____		Signature _____

Identify this type of document and explain its purpose.

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Question 19 continues on page 18

Question 19 (continued)

- (b) A business has supplied the following account balances from its general ledger for the year ending 30 June 2019.

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Equipment	\$49 000
Mortgage	\$35 000
Stationery	\$5 000
Drawings	\$2 000
Capital	\$69 780
Interest on mortgage	\$3 300
Bad debts recovered	\$1 100
GST paid/GST receivable	\$12 900
Cash at bank	\$24 000
Interest on investments	\$2 000
Salaries	\$22 000
Rent received	\$5 300
Discount allowed	\$830
Sales	\$78 000
Advertising	\$8 000
Cost of sales	\$52 000
Equipment repairs	\$9 800
Petty cash	\$350
Investments	\$10 000
Council rates	\$2 000

Question 19 continues on page 19

Financial Services

Section III

15 marks

Attempt Question 21

Allow about 25 minutes for this section

Answer the question in a writing booklet. Extra writing booklets are available.

Your answer will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
 - communicate ideas and information using relevant workplace examples and industry terminology
 - present a logical and cohesive response
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Question 21 (15 marks)

Following worldwide regulatory reform and the emergence of new technologies, the financial services industry has been through significant changes.

Recommend strategies that could be used by a financial services worker to maintain industry currency in response to these changes.

Please turn over

Section IV

20 marks

Attempt either Question 22 or Question 23

Allow about 25 minutes for this section

Answer this question in TWO SEPARATE writing booklets. Use one writing booklet to answer parts (a) and (b) of the question. Use the other writing booklet to answer part (c) of the question. Extra writing booklets are available.

Question 22 — Accounting (20 marks)

Answer parts (a) and (b) of the question in a SEPARATE writing booklet.

- (a) Explain the difference between *closing journal entries* and *reversal journal entries*. **3**
- (b) Financial services businesses can have customers who have overdue balances of over 30 days, 60 days or 90 days. **5**

Outline appropriate procedures, including recovery actions, that could be used by the businesses to deal with customers in each of the three overdue categories.

Question 22 continues on page 23

Question 22 (continued)

Answer part (c) of the question in a SEPARATE writing booklet.

- (c) The adjusted trial balance shown was prepared for a financial services business on 30 June 2019.

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<i>Account name</i>	<i>Debit (\$)</i>	<i>Credit (\$)</i>
Drawings	1 000	
Motor vehicles	40 900	
Services rendered		50 000
Accounts receivable	10 000	
Allowance for doubtful debts		500
Revenue received in advance (rent income)		900
Motor vehicle accumulated depreciation		2 500
GST		1 780
Prepaid expenses	450	
Stationery	300	
Office expenses	1 000	
Accounts payable		2 000
Insurance	5 000	
Wages	15 000	
Accrued expenses (wages)		2 500
Rent income		400
Capital		13 070
Total	73 650	73 650

Explain the advantages of using a classified balance sheet rather than the adjusted trial balance for this business. Support your answer with a classified balance sheet constructed from the adjusted trial balance provided.

End of Question 22

OR

Question 23 — Financial Services (20 marks)

Answer parts (a) and (b) of the question in a SEPARATE writing booklet.

A non-financial services business may act as an agency for a financial services institution.

- (a) Outline ONE financial product and ONE financial service that may be offered by agencies. **3**
- (b) Describe how an agency worker should handle complaints from customers. **5**

Answer part (c) of the question in a SEPARATE writing booklet.

- (c) Explain the importance of accurate, effective and secure record management by an agency. **12**

End of paper