

# 2020 HSC Financial Services Marking Guidelines

## Section I

### Multiple-choice Answer Key

Question	Answer
1	D
2	C
3	A
4	B
5	D
6	C
7	B
8	C
9	D
10	A
11	C
12	A
13	A
14	B
15	D

## Section II

### Question 16 (a)

Criteria	Marks
• Describes the double-entry bookkeeping principle	2
• Shows some understanding of double-entry bookkeeping	1

**Sample answer:**

The principle requires that for every business transaction, amounts must be recorded in a minimum of two accounts. The amounts entered as debits must be equal to the amounts entered as credits. The accounting equation (assets = liabilities + owner's equity) should always balance.

### Question 16 (b)

Criteria	Marks
• Outlines how TWO source documents could be used to check the goods delivered	2
• Outlines how ONE source document could be used to check the goods delivered OR • Identifies TWO relevant source documents	1

**Sample answer:**

The business should confirm that the quantity of goods received matches the quantity on the delivery docket. They should then compare the quantity of the goods to the information on the tax invoice.

### Question 16 (c)

Criteria	Marks
• Shows how the purposes of the general journal and specialised journals are different	2
• Shows a basic understanding of the general journal or the specialised journals	1

**Sample answer:**

Specialised journals are used to record credit sales, credit purchases, cash receipts and cash payments. All other transactions are recorded in the general journal. If specialised journals are not being used, all transactions can be recorded in the general journal.

**Question 17 (a)**

Criteria	Marks
<ul style="list-style-type: none"> <li>• Outlines TWO characteristics of quality service in the financial services industry</li> </ul>	2
<ul style="list-style-type: none"> <li>• Identifies TWO characteristics of quality service in the financial services industry</li> </ul> OR <ul style="list-style-type: none"> <li>• Outlines ONE characteristic of quality service in the financial services industry</li> </ul>	1

**Sample answer:**

One characteristic may be that client queries are handled in a polite and timely manner. Another characteristic is that the employee demonstrates comprehensive and up-to-date knowledge of the product being delivered.

**Question 17 (b)**

Criteria	Marks
<ul style="list-style-type: none"> <li>• Outlines an issue that should be considered</li> </ul>	2
<ul style="list-style-type: none"> <li>• Provides some relevant information</li> </ul>	1

**Sample answer:**

An issue would be conflict of interest. As it is an application for a friend, the loan officer could exploit their professional position to gain personal benefit.

**Question 17 (c)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Describes TWO strategies that may be used to reduce workplace harassment in the financial services industry</li> </ul>	4
<ul style="list-style-type: none"> <li>Outlines TWO strategies that may be used to reduce workplace harassment in the financial services industry</li> </ul>	3
<ul style="list-style-type: none"> <li>Identifies TWO strategies that may be used to reduce workplace harassment in the financial services industry</li> </ul> OR <ul style="list-style-type: none"> <li>Outlines ONE strategy that may be used to reduce workplace harassment in the financial services industry</li> </ul>	2
<ul style="list-style-type: none"> <li>Provides some relevant information</li> </ul>	1

**Sample answer:**

A strategy to reduce workplace harassment is ongoing awareness training to be provided to the employees so that they are all fully aware of acceptable and unacceptable behaviour in the financial services workplace. Another strategy is to establish organisational policies and procedures that focus on the need to prevent and respond to behaviours that are offensive and unacceptable. The organisation should at all times model what it considers respectful behaviour and support employees to promote safe and respectful behaviour.

**Question 18 (a)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Identifies the primary role of Safe Work Australia</li> </ul>	2
<ul style="list-style-type: none"> <li>Provides some relevant information</li> </ul>	1

**Sample answer:**

Safe Work Australia develops national policy relating to work health and safety and workers compensation.

### Question 18 (b)

Criteria	Marks
• Describes how performance management could be used in a financial services business	4
• Outlines how performance management could be used in a financial services business	3
• Shows some understanding of performance management	2
• Provides some relevant information	1

**Sample answer:**

An employee and their manager may work together to review the employee's performance against a set of criteria on a periodical basis. This allows the manager to provide feedback to the employee and to see if the employee needs any assistance. The employee may discuss their career goals and any professional support that may be required. Management may use information collected from performance management to identify skill and knowledge gaps and to plan professional development for staff members. Performance appraisal is a tool of performance management.

### Question 19 (a)

Criteria	Marks
• Correctly identifies the accounts that should be debited and the accounts that should be credited for the transactions	3
• Correctly identifies account(s) that should be debited and account(s) that should be credited for one of the transactions	2
• Identifies at least one relevant account for the other transaction	
• Identifies some relevant accounts that should be debited and/or credited	1

**Sample answer:**

<i>Transaction</i>	<i>Account(s) to be debited</i>	<i>Account(s) to be credited</i>
Received \$800 interest from a bank deposit	Bank	Interest received
Purchase of a computer from AC Computers for \$3300 including GST	Office equipment GST paid	Accounts payable – AC Computers

### Question 19 (b)

Criteria	Marks
• Correctly constructs the bank reconciliation statement	3
• Provides most correct entries to the bank reconciliation statement	2
• Provides some relevant information	1

**Sample answer:**

#### Bank reconciliation statement as at 30 September 2020

Balance as per bank statement	2010 credit
Add outstanding deposits	2570 debit
	560 debit
Less unpresented cheques	380 credit
Debit balance as per bank account	180 debit

Accept other formats.

### Question 19 (c)

Criteria	Marks
• Correctly prepares the interim balance sheet with classifications	4
• Includes the amount for creditors	
• Correctly calculates the profit and prepares most of the interim balance sheet with classifications	3
• Correctly identifies some assets, liabilities and owner's equity	2
• Provides some relevant information	1

**Sample answer:**

#### Balance sheet

<b>Assets</b>	<b>(\$)</b>	<b>Liabilities</b>	<b>(\$)</b>
Bank	11 000	Mortgage	80 900
Motor vehicle	139 000	Creditors	41 520
Debtors	6 800	GST liability	4 800
		<b>Owner's Equity</b>	
		Capital	23 000
		Plus profit*	6 580
	156 800		156 800

Accept other formats.

• Profit = 17 000 – 5950 – 330 – 540 – 1200 – 2400 = 6580

## Section III

### Question 20

Criteria	Marks
<ul style="list-style-type: none"> <li>• Demonstrates extensive knowledge and understanding of how policies, procedures and effective communication in a financial services organisation could facilitate compliance with legislation and regulations</li> <li>• Communicates ideas and information using industry terminology accurately and appropriately</li> <li>• Supports response with relevant workplace examples</li> <li>• Presents a logical and cohesive response</li> </ul>	13–15
<ul style="list-style-type: none"> <li>• Demonstrates thorough knowledge and understanding of how policies, procedures and effective communication in a financial services organisation could facilitate compliance with legislation and/or regulations</li> <li>• Communicates using industry terminology appropriately</li> <li>• Supports response with workplace examples</li> <li>• Presents a logical response</li> </ul>	10–12
<ul style="list-style-type: none"> <li>• Demonstrates sound knowledge and understanding of how policies and/or procedures and/or effective communication in a financial services organisation could facilitate compliance with legislation and/or regulations</li> <li>• Uses some industry terminology appropriately</li> <li>• Includes some workplace examples</li> <li>• Communicates in an organised manner</li> </ul>	7–9
<ul style="list-style-type: none"> <li>• Demonstrates some understanding of how policies and/or procedures and/or effective communication in a financial services organisation could facilitate compliance with legislation and/or regulations</li> <li>• Uses some industry terminology</li> </ul>	4–6
<ul style="list-style-type: none"> <li>• Makes general statements about policies and/or procedures and/or effective communication in a financial services organisation</li> </ul>	1–3

**Answers could include:**

- Up-to-date policies and procedures to reflect current regulatory requirements
- Identify legislative, industry and organisational requirements applying to the completion of financial operations within the industry
- Governance requirements that apply to the financial services industry:
  - industry standards
  - workplace policy, guidelines and procedures
  - legislative requirements
- Accountability and auditing processes:
  - legal and ethical issues affecting the industry
  - privacy and confidentiality
  - conflict of interest
- Workplace policy and procedures related to legal and ethical issues
- Compliance in the financial services industry and what it means for the client, the worker and the industry

- Accreditation requirements in the financial services industry:
  - principles of equal employment opportunity (EEO)
  - purpose and intent of WHS legislation and codes of practice and their application to the financial services industry and workplace
- Communication in the workplace with colleagues and clients:
  - communication process/cycle
  - types of communication – effective verbal, non-verbal and written communication
  - a range of communication methods/equipment used in a financial services workplace
- How work practices are implemented and maintained in accordance with industry standards and workplace policy, guidelines and procedures.

## Section IV

### Question 21 (a)

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides the required general journal entries to record the disposal of the motor vehicle</li> </ul>	4
<ul style="list-style-type: none"> <li>Provides most of the general journal entries to record the disposal of the motor vehicle</li> </ul>	3
<ul style="list-style-type: none"> <li>Provides some general journal entries to record the disposal of the motor vehicle</li> </ul>	2
<ul style="list-style-type: none"> <li>Shows some understanding of the disposal of non-current assets</li> </ul>	1

**Sample answer:**

<i>Date</i>	<i>Particulars</i>	<i>Debit</i> <i>(\$)</i>	<i>Credit</i> <i>(\$)</i>
31/5/20	Depreciation – motor vehicle	7 299	
	Accumulated depreciation – motor vehicle		7 299
	Disposal – motor vehicle	35 000	
	Motor vehicle		35 000
	Accumulated depreciation – motor vehicle	19 549	
	Disposal – motor vehicle		19 549
	Bank	17 600	
	GST payable		1 600
	Disposal – motor vehicle		16 000
	Disposal – motor vehicle	549	
	Gain on sale		549

**Question 21 (b)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides a description of the purpose of and procedure for processing accounts receivable in the financial services industry</li> </ul>	6
<ul style="list-style-type: none"> <li>Describes the purpose of processing accounts receivable and identifies most of the steps</li> </ul>	5
<ul style="list-style-type: none"> <li>Describes the procedure for processing accounts receivable</li> </ul> OR <ul style="list-style-type: none"> <li>Describes the purpose of processing accounts receivable and identifies the key steps</li> </ul>	4
<ul style="list-style-type: none"> <li>Outlines the purpose of processing accounts receivable</li> </ul> AND/OR <ul style="list-style-type: none"> <li>Identifies some steps for processing accounts receivable</li> </ul>	2–3
<ul style="list-style-type: none"> <li>Provides some relevant information</li> </ul>	1

**Sample answer:**

The purpose of processing accounts receivable is to ensure all subsidiary accounts are recorded accurately to enable an accurate financial statement at reporting time.

Procedures for recording accounts receivable would firstly require the setup of the customer onto the system, including their credit terms. The sales invoice and credit notes would then be recorded in the business records. The next step would be to record the remittances received from the customer. The business would then need to follow up any overdue accounts. Follow-up would require handling any disputes, re-assigning credit limits and revising credit terms on the credit policy. The amounts not received would indicate bad and doubtful debts for the business.

The business would be required to regularly send a statement of account to the customer.

### Question 21 (c)

Criteria	Marks
• Provides a correct trial balance with no errors	10
• Provides a trial balance with minor errors	9
• Provides mostly correct doubtful debts treatment, mostly correct balance day adjustment figures and a mostly correct trial balance	7–8
• Provides substantially correct balance day adjustment figures and a substantially correct trial balance	5–6
• Demonstrates some understanding of the trial balance and some treatment of the balance day adjustments	3–4
• Provides some relevant information	1–2

**Sample answer:**

Account name	Debit (\$)	Credit (\$)	Workings
Wages	13 410		12 850 + 560
Doubtful debts	284 or 484		9800 – 350 = 9450 × 3% = 284 200 – 284 = add 84
Accounts receivable	9 450		9800 – 350
Cash at bank	31 000		
Rent received		11 000	11 900 – 900
Bad debts	800		450 + 350
Fees received		31 000	
Building insurance	2 500		2790 – 290
Rent paid	5 200		
Capital		19 390	
Wages accrued		560	
Allowance doubtful debts		84 or 284	
Prepaid expense	290		
Prepaid income (income received in advance)		900	
	<b>62 934</b> or <b>63 134</b>	<b>62 934</b> or <b>63 134</b>	

**Question 22 (a)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Describes standard procedures that the general store could use to maintain information about payments</li> </ul>	4
<ul style="list-style-type: none"> <li>Outlines some standard procedures for maintaining information about payments</li> </ul>	3
<ul style="list-style-type: none"> <li>Identifies some standard procedures for maintaining information about payments</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Outlines a standard procedure for maintaining information about payments</li> </ul>	2
<ul style="list-style-type: none"> <li>Provides some relevant information</li> </ul>	1

**Sample answer:**

Payment records for the financial institution will need to be separated and filed separately from the general store's own payment records. Separate daily balance totals will need to be established for the general store and for its role as an agency. The general store could use a systematic filing system to maintain information about payments. Physical filing cabinets may be used to store paper-based source documents. A computerised system may be used to maintain records of daily transactions. The system will also need to be backed up on a periodical basis with backup media stored offsite. Access and release of payment information should only be given to authorised personnel so that payment information can be easily traceable. Amendments to payment information should only be performed in accordance with the policies and procedures of the financial institution.

**Question 22 (b)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides a comprehensive explanation of how common discrepancies that may occur when balancing cash holdings could be corrected</li> </ul>	6
<ul style="list-style-type: none"> <li>Describes strategies for correcting common discrepancies that may occur when balancing cash holdings</li> </ul>	5
<ul style="list-style-type: none"> <li>Outlines how some common discrepancies that may occur when balancing cash holdings could be corrected</li> </ul>	4
<ul style="list-style-type: none"> <li>Identifies some common discrepancies that may occur when balancing cash holdings and outlines how a common discrepancy could be corrected</li> </ul>	3
<ul style="list-style-type: none"> <li>Identifies some common discrepancies that may occur when balancing cash holdings</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Outlines how a common discrepancy that may occur when balancing cash holdings could be corrected</li> </ul>	2
<ul style="list-style-type: none"> <li>Shows a basic understanding of balancing cash holdings</li> </ul>	1

**Sample answer:**

Before wasting time going through the accounts item by item, the records can be checked to identify the source of the discrepancy by bearing in mind what could be reason for the error, paying close attention to the amount in question, and checking whether it can be linked to an amount in another transaction. Common errors are making an entry twice, which will produce a discrepancy equal to the amount of the entry in question. The additional entry should be deleted. Another common error is not accounting for a transaction, which will also produce a discrepancy equal to the amount of the overlooked entry. A journal entry should be created and the transaction posted to the ledger. The wrong accounts could be used for recording transactions, the amount recorded could be wrong or even the dates could be wrong, so to correct this double check that all transactions are correctly posted from the general journal to the ledger and correct amounts are entered as well. Reverse the wrong transaction or amount and record it again using the correct account or amount and date.

### Question 22 (c)

Criteria	Marks
<ul style="list-style-type: none"> <li>• Recommends ways that the financial services institution could assist the general store to become an effective agency</li> <li>• Provides a comprehensive justification of the recommendations</li> </ul>	9–10
<ul style="list-style-type: none"> <li>• Recommends some ways that the financial services institution could assist the general store to become an effective agency</li> <li>• Provides some justification of the recommendations</li> </ul>	7–8
<ul style="list-style-type: none"> <li>• Describes some ways that the financial services institution could assist the general store to become an effective agency</li> </ul>	5–6
<ul style="list-style-type: none"> <li>• Outlines some ways that the financial services institution could assist the general store</li> </ul>	3–4
<ul style="list-style-type: none"> <li>• Shows some understanding of the relationship between an agency and a financial services institution</li> </ul>	1–2

**Answers could include:**

- Protocols for referrals
- Maintaining up-to-date knowledge of products and services
- Working within agreed timeframes
- Having standard operating procedures for processing transactions
- Procedures and policies to handle dissatisfied customers
- Providing assistance to the agency when dealing with difficult situations
- Providing relevant training to the agency staff.

# 2020 HSC Financial Services Mapping Grid

## Section I

Question	Marks	HSC content – focus area	Targeted performance bands
1	1	Industry context — working in the industry – page 29	2–3
2	1	Financial operations — financial calculations – page 26	2–3
3	1	Work — sources of information – page 38	2–3
4	1	Work — work practices – page 40	3–4
5	1	Industry context — employment – page 30	3–4
6	1	Financial operations — financial information – page 24	3–4
7	1	Financial operations — financial calculations – page 26	3–4
8	1	Safety — work health and safety – page 33	3–4
9	1	Financial operations — financial information – page 24	4–5
10	1	Financial operations — financial information – page 24 Financial operations — financial transactions – page 26	4–5
11	1	Financial operations — financial calculations – page 25	4–5
12	1	Safety — risk management – page 35	4–5
13	1	Financial operations — financial calculations – page 26	5–6
14	1	Financial operations — financial transactions – page 26	5–6
15	1	Financial operations — financial calculations – page 26	5–6

## Section II

Question	Marks	HSC content – focus area	Targeted performance bands
16 (a)	2	Financial operations — financial transactions – page 27	2–4
16 (b)	2	Financial operations — financial information – page 24	2–4
16 (c)	2	Financial operations — financial transactions – page 27	2–4
17 (a)	2	Industry context — nature of industry – page 29	2–3
17 (b)	2	Industry context — working in the industry – page 30	2–4
17 (c)	4	Industry context — anti-discrimination – page 31	2–6
18 (a)	2	Safety — work health and safety – page 33	2–4
18 (b)	4	Work — the financial services worker – page 39	2–6
19 (a)	3	Financial operations — financial transactions – page 26	2–5
19 (b)	3	Financial operations — financial transactions – page 27	2–5
19 (c)	4	Financial operations — financial transactions – page 26	2–6

**Section III**

<b>Question</b>	<b>Marks</b>	<b>HSC content – focus area</b>	<b>Targeted performance bands</b>
20	15	Financial operations — compliance – page 27 Industry — working in the industry – pages 29–30 Safety — WHS compliance – page 33 Work — work practices – page 40	2–6

**Section IV**

<b>Question</b>	<b>Marks</b>	<b>HSC content – focus area</b>	<b>Targeted performance bands</b>
21 (a)	4	(Stream) Accounting — financial reports – page 45	2–5
21 (b)	6	(Stream) Accounting — subsidiary accounts and ledgers – page 44	2–6
21 (c)	10	(Stream) Accounting — financial reports – page 45	2–6
22 (a)	4	(Stream) Financial services — payment system – page 50	2–5
22 (b)	6	(Stream) Financial services — cash and non-cash transactions – page 49	2–6
22 (c)	10	(Stream) Financial services — agency for financial services institution – page 48	2–6