

2021 HSC Financial Services Marking Guidelines

Section I

Multiple-choice Answer Key

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

Section II

Question 16

Criteria	Marks
<ul style="list-style-type: none"> Demonstrates an understanding of the importance of personal presentation for a customer service officer 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

A customer service officer is likely to be the face of the business to the public. Professional presentation could help to establish trust and relationships with clients and result in greater potential income and growth.

Question 17

Criteria	Marks
<ul style="list-style-type: none"> Outlines the content that should be covered in the WHS induction 	3
<ul style="list-style-type: none"> Identifies some content that should be covered in the WHS induction 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

The WHS induction should include emergency procedures eg evacuation points, location of fire extinguishers and first aid kits. It should also include emergency contact details and how to report an incident and how to find the WHS committee or contact personnel.

Question 18 (a)

Criteria	Marks
<ul style="list-style-type: none"> Correctly completes the bank reconciliation 	2
<ul style="list-style-type: none"> Identifies some values towards a correct solution 	1

Sample answer:

Bank Reconciliation as at 30 November	
Credit bank balance as per statement	30 100
Add: Outstanding deposits	<u>7 000</u>
	37 100
Less: Unpresented cheques	<u>50</u>
Debit bank balance as per ledger account	37 050

Question 18 (b)

Criteria	Marks
<ul style="list-style-type: none"> Explains how TWO cash management procedures may be used to prevent errors 	3
<ul style="list-style-type: none"> Explains how ONE cash management procedure may be used to prevent errors OR <ul style="list-style-type: none"> Identifies TWO cash management procedures that may be used to prevent errors 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

There should be a separation of duties between the person depositing the cash and the person recording the cash in the business books to prevent possible mistakes and dishonesty. The cheques written should be checked to ensure the correct amount on the invoice has been paid so that the creditor is paid the correct amount.

Question 18 (c)

Criteria	Marks
<ul style="list-style-type: none"> Completes the general journal correctly 	4
<ul style="list-style-type: none"> Completes most parts of the general journal correctly 	3
<ul style="list-style-type: none"> Completes some parts of the general journal correctly 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Date	Account name	Debit (\$)	Credit (\$)
October 1	Bank/cash	2000	
	Office equipment	3000	
	Capital		5000
October 2	Stationery	300	
	GST	30	
	Accounts payable		330
October 3	Accounts receivable	5500	
	Fees received		5000
	GST		500

Question 19 (a)

Criteria	Marks
• Describes TWO possible employment types for the employee	3
• Describes ONE possible employment type for the employee OR • Identifies TWO possible employment types for the employee	2
• Provides some relevant information	1

Sample answer:

The business could hire the bookkeeper as a part-time or casual employee. Part-time employees work regular hours but less than 35 hours per week. They are entitled to paid leave. Casual employees usually work irregular hours and can be engaged if and when a business requires. They receive a higher hourly wage but do not accrue paid leave.

Answers could include:

Contractor.

Question 19 (b)

Criteria	Marks
• Outlines ONE relevant ethical issue that the receptionist should consider	2
• Provides some relevant information	1

Sample answer:

One ethical issue that should be considered is privacy as the tax return is likely to contain personal and confidential information about the client. The receptionist should ensure that nobody other than the intended recipient sees the tax return.

Question 19 (c)

Criteria	Marks
<ul style="list-style-type: none"> Provides a detailed description of TWO rights and TWO responsibilities of employees in relation to their employment 	4
<ul style="list-style-type: none"> Describes at least ONE right and ONE responsibility of employees in relation to their employment 	3
<ul style="list-style-type: none"> Describes a right or a responsibility of employees in relation to their employment OR <ul style="list-style-type: none"> Identifies rights and/or responsibilities of employees in relation to their employment 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Employees have the right to a safe working environment. This means that they can expect to go to work each day without concern for their physical and emotional safety. Employees also have the right to be remunerated fairly for their work. This means that remuneration will comply with relevant Awards etc.

Employees have the responsibility to maintain a safe working environment for themselves, colleagues and customers. This could include reporting and resolving WHS issues as they arise. Employees also have the responsibility to follow any reasonable request from their employer. This ensures that they are performing the tasks that the business requires of them.

Question 20 (a)

Criteria	Marks
<ul style="list-style-type: none"> Defines the historical cost convention 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

This convention states that the value of an asset, liability, income or expense will be recorded at the actual amount that the business pays or receives regardless of any changes in the value since the transaction occurred.

Question 20 (b)

Criteria	Marks
<ul style="list-style-type: none"> Outlines TWO benefits to a business of forming a corporation 	2
<ul style="list-style-type: none"> Outlines ONE benefit to a business of forming a corporation 	1

Sample answer:

If a business forms a corporation, there is limited liability such that the owners are not personally liable for the debts of the business. There is also the potential to access a greater amount of capital as numerous shareholders may be introduced.

Question 20 (c)

Criteria	Marks
<ul style="list-style-type: none"> Explains why source documents should be checked before making payments with reference to TWO source documents 	3
<ul style="list-style-type: none"> Outlines source documents that should be checked before making payments OR <ul style="list-style-type: none"> Explains why source document should be checked before making payments 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

A purchase order lists the items that were ordered and should be checked against the invoice to check the value and types of items that are being paid are correct. The purchase order should also be checked with the delivery docket to check the correct items were received. A credit note needs to be checked if items were returned as it records the value and types of items that were returned or discounted.

Section III

Question 21

Criteria	Marks
<ul style="list-style-type: none"> Provides an extensive explanation of the effects of APRA, ASIC and other regulatory bodies on the policies and procedures of organisations Demonstrates extensive knowledge and understanding of the financial services industry Uses industry terminology and workplace examples accurately and appropriately Presents a logical and cohesive response 	13–15
<ul style="list-style-type: none"> Provides a thorough explanation of the effects of APRA, ASIC and/or other regulatory bodies on the policies and procedures of organisations Demonstrates thorough knowledge and understanding of the financial services industry Uses industry terminology and workplace examples appropriately Presents a logical response 	10–12
<ul style="list-style-type: none"> Provides a sound explanation of the role of APRA, ASIC and/or other regulatory bodies in relation to the policies and procedures of organisations Demonstrates sound knowledge and understanding of the financial services industry Uses some industry terminology appropriately Communicates in an organised manner 	7–9
<ul style="list-style-type: none"> Describes a role of APRA or ASIC and/or other regulatory bodies in relation to a policy or procedure of organisations Demonstrates some understanding of the financial services industry Uses some industry terminology 	4–6
<ul style="list-style-type: none"> Makes general statements about the role of regulatory bodies or organisational policies and procedures in the financial services industry 	1–3

Answers could include:

- ASIC and APRA are government regulators tasked with enforcing the conduct and regulations of operators within Australia’s financial system. Both are responsible for issuing licences, changing legislation and investigating illegal misconduct within banks, superannuation funds, insurance companies, credit providers and stock markets.
- Regulators enforce the *Australian Securities and Investment Act 2001* and the *Australian Prudential Regulation Act 1998*, along with other acts such as the Banking Act, Insurance Act.
- Organisational procedures that are implemented towards compliance can include encouraging clients to be truthful in declaring all income, assets, debts and investments when being financially assessed.
- Procedures that keep a client’s financial information secure and protected are required for compliance with the *Privacy Act 1988*.
- The employment and training of licensed and qualified staff is required.
- Financial advice or financial products sold to clients must be determined by organisational procedures which align with legal requirements aiming to protect a client’s wealth.

- Conflict of interest can be discovered by operational procedures which require those that may benefit from a purchase or sale to firstly declare their interest.
- Organisational procedures must also be such that a client or employee can report misconduct in the industry to higher authorities, such as the regulators, ombudsmen or unions.
- Regulators require compliance with the law from the organisational procedures in place for banks, financial planners, stockbrokers, lenders and others who work within the industry. For example, a financial planner or a stockbroker must secure the appropriate licence before beginning business on behalf of clients. An accountant must apply the correct taxation rules and rates when determining a client's tax return. A superannuation fund manager must seek to act diligently and wisely with the wealth creation of Australian employees.
- It is the responsibility of a financial services provider to keep up to date and to seek audit opportunities for compliance with regulators. The consequences of being found to be fraudulent when investigated for financial misconduct can be monetary fines, loss of licences or imprisonment.
- The ACCC promotes competition and fair trading for consumers from all industries according to the *Competition and Consumer Act 2010*. The RBA sets national monetary-interest rates and controls the cash available within the economy with the printing of currency. Other regulators within Australia include AUSTRAC, ATO and the Australian Accounting Standards Board.

Section IV

Question 22 (a)

Criteria	Marks
• Correctly constructs the disposal account and identifies loss and disposal	3
• Constructs the disposal account with minor errors	2
• Provides some relevant information	1

Sample answer:

Disposal account			
Machinery	12 000	Bank	6000
		Accumulated depreciation	4000
		Loss on disposal	2000
	12 000		12 000

OR

Disposal account			
	Debit (\$)	Credit (\$)	Balance (\$)
Machinery	12 000		12 000 DR
Bank		6000	6000 DR
Accumulated depreciation		4000	2000 DR
Loss on disposal		2000	0

Question 22 (b)

Criteria	Marks
<ul style="list-style-type: none"> Thoroughly explains how the business can reduce the likelihood of bad debts and includes appropriate reference to accounting processes and documents 	5
<ul style="list-style-type: none"> Explains how the business can reduce the likelihood of bad debts and includes appropriate reference to accounting processes and documents 	4
<ul style="list-style-type: none"> Outlines ways the business can reduce the likelihood of bad debts 	3
<ul style="list-style-type: none"> Identifies a process that reduces bad debts 	2
<ul style="list-style-type: none"> Provides a general statement about bad debts 	1

Sample answer:

A business can reduce their bad debts with efficient procedures in their credit policy for early identification of poor customers and quick debt recovery. A business may choose to avoid selling to debtors who display a poor credit history or the business may negotiate payments for cash up front, or upfront deposits and shorter payment plans for such debtors. The business should analyse the aged debtors report to determine which debtors have outstanding invoices over 30, 60 or 90 days. From this, the procedure may require credit information to be collected about each potential bad debt, such as reasons why the debts are not being paid. In order to reduce the likelihood of bad debts, invoices may need to be resent, interest/late fees may be charged, overdue reminders sent, further credit may be stopped, with phone calls and contact with the accounts payable being logged in the event that legal action or debt-collection services are used.

Question 22 (c)

Criteria	Marks
• Provides a correct income statement with possible minor errors	10–12
• Provides an income statement that includes mostly correct balance day adjustments	8–9
• Provides an income statement that includes a correct balance day adjustment	6–7
• Demonstrates an understanding of an income statement	4–5
• Identifies some values towards a correct solution	1–3

Sample answer:

Account name	(\$)	(\$)
Sales		70 000
Less Cost of goods sold	38 000	
Add stock variance	1 000	
Add freight inwards	<u>20</u>	<u>39 020</u>
Gross Profit		30 980
Add any other Revenue		
Bad debts recovered	100	
Interest received	500	
Commission received	<u>2 000</u>	<u>2 600</u>
Total Revenue		33 580
<i>Less Expenses</i>		
Bank Charges	60	
Donations paid	900	
Doubtful debts	600	
Depreciation	6 000	
Electricity	<u>1 500</u>	<u>9 060</u>
Net Profit		24 520

Question 23 (a)

Criteria	Marks
<ul style="list-style-type: none"> • Outlines difficulties the general store may face when processing large transactions on behalf of the bank 	3
<ul style="list-style-type: none"> • Outlines a difficulty the general store may face when processing large transactions on behalf of the bank <p>OR</p> <ul style="list-style-type: none"> • Identifies difficulties the general store may face compared to the bank when processing transactions 	2
<ul style="list-style-type: none"> • Provides some relevant information 	1

Sample answer:

The general store must understand the differences between their own standard operating procedures and the bank's standard operating procedures. The general store may have difficulty with the security of large cash transactions. The general store may have difficulty in maintaining confidential bank conversations, complaints, and proof-of-identity when there is more than one person in the store.

Question 23 (b)

Criteria	Marks
<ul style="list-style-type: none"> • Provides a comprehensive description of how the agency could deliver quality customer service on behalf of the bank 	5
<ul style="list-style-type: none"> • Shows a thorough understanding of how the agency could deliver quality customer service on behalf of the bank 	4
<ul style="list-style-type: none"> • Shows a sound understanding of how the agency could deliver quality customer service on behalf of the bank 	3
<ul style="list-style-type: none"> • Outlines a customer service provided by an agency 	2
<ul style="list-style-type: none"> • Provides a general statement about customer service 	1

Sample answer:

The agency should develop an understanding of their customers as well as their needs, preferences and expectations. They must also follow procedures that reflect the bank's protocols for contact with customers and how to handle difficult or abusive customers. The agency may need to research or contact the bank in order to answer any customer questions about the product or service. They may also need to assist customers with completing bank documentation in line with the bank's procedures, while maintaining the confidentiality of the client. The agency may also have to resolve customer disputes and complaints by referring to the bank's complaints-handling policy and procedures.

Question 23 (c)

Criteria	Marks
<ul style="list-style-type: none"> Provides a comprehensive explanation of strategies that the agency could use to meet its record-keeping obligations to the bank Demonstrates extensive knowledge and understanding of the importance of record management by an agency Presents a logical and cohesive argument Uses industry terminology and workplace examples accurately and appropriately 	11–12
<ul style="list-style-type: none"> Provides a detailed explanation of strategies that the agency could use to meet its record-keeping obligations to the bank Demonstrates thorough knowledge and understanding of the importance of record management by an agency Presents a logical argument Uses industry terminology and workplace examples appropriately 	9–10
<ul style="list-style-type: none"> Provides an explanation of strategies that the agency could use to meet its record-keeping obligations to the bank Demonstrates a strong knowledge and understanding of the importance of record management Communicates an argument in an organised manner Uses some industry terminology appropriately 	7–8
<ul style="list-style-type: none"> Describes strategies that the agency could use to meet its record-keeping obligations to the bank Demonstrates sound understanding of record management Uses some industry terminology 	5–6
<ul style="list-style-type: none"> Identifies a strategy that the agency could use to meet its record-keeping obligations Demonstrates some understanding of record management 	3–4
<ul style="list-style-type: none"> Provides some relevant information 	1–2

Answers could include:

- Communicate with the bank to develop a shared understanding of what is, and what is not, a record. This will create consistency around record-keeping and assist the agency in meeting its obligations to the bank.
- Ensure that procedures around cross-checking or totalling reconciliations are performed in accordance with the bank’s requirements. This will reduce the chance of errors when communicating with the bank.
- Provide training and professional development to employees in how to meet their record-keeping obligations to the bank and comply with relevant legislation. This will reduce the chance of staff breaching the law or agreement with the bank.
- Provide training and professional development to employees on how to rectify a breach in line with the bank’s policies and procedures. This will assist the agency with compliance with the bank’s procedures and relevant legislation.
- The agency could request a bank representative to routinely check the procedures in place for record-keeping in order to ensure that policies and procedures align with the expectations of the bank.
- Ensure policies and protocols around security (access and release) of records are in place to ensure that the agency meets all confidentiality and privacy obligations.
- Develop consistent policies and protocols around the creation, maintenance and disposal of records to ensure that records are kept for the legally required timeframe and are disposed of appropriately.

2021 HSC Financial Services Mapping Grid

Section I

Question	Marks	HSC content – focus area
1	1	Financial operations — financial information – page 24
2	1	Industry context — employment – page 31
3	1	Financial operations — financial transactions – page 26
4	1	Financial operations — financial calculations – page 25
5	1	Safety — WHS consultation and participation – page 34
6	1	Work — the financial services worker – page 39
7	1	Financial operations — financial transactions – page 26
8	1	Financial operations — financial calculations – page 26
9	1	Work — misunderstandings and conflict - page 41
10	1	Financial operations — financial transactions – page 26
11	1	Safety — risk management – page 35
12	1	Industry context — employment – page 30
13	1	Financial operations — financial calculations – page 26
14	1	Financial operations — financial transactions – page 27
15	1	Financial operations — financial calculations – page 26

Section II

Question	Marks	HSC content – focus area
16	2	Work — the financial services worker – page 39
17	3	Safety — safe work procedures and practices – page 35
18 (a)	2	Financial operations — financial transactions – page 26
18 (b)	3	Financial operations — financial transactions – page 27
18 (c)	4	Financial operations — financial transactions – page 27
19 (a)	3	Industry context — employment – page 30
19 (b)	2	Industry context — working in the industry – page 30
19 (c)	4	Industry context — employment – page 30
20 (a)	2	Financial operations — financial information – page 24
20 (b)	2	Financial operations — financial information – page 24
20 (c)	3	Financial operations — financial information – page 24

Section III

Question	Marks	HSC content – focus area
21	15	Financial operations — compliance – page 27 Industry context — working in the industry – page 29 Industry context — employment – page 30 Safety — WHS compliance – page 33

Section IV

Question	Marks	HSC content – focus area
22 (a)	3	Accounting stream – financial reports – page 45
22 (b)	5	Accounting stream – subsidiary accounts and ledgers – page 44
22 (c)	12	Accounting stream – financial reports – page 45
23 (a)	3	Financial services stream – agency for financial services institutions – page 48
23 (b)	5	Financial services stream – agency for financial services institutions – page 48
23 (c)	12	Financial services stream – agency for financial services institutions – pages 48–49 Financial services stream – record keeping in the financial services industry – page 50