

2022 HSC Financial Services Marking Guidelines

Section I

Multiple-choice Answer Key

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

Section II

Question 16 (a)

Criteria	Marks
<ul style="list-style-type: none"> Describes a potential benefit of equal employment opportunity for a financial services organisation 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

If a financial services institution employs staff based on the principles of equal employment opportunity, it is more likely to attract a wider, more diverse pool of job candidates and recruit high performing employees.

Question 16 (b)

Criteria	Marks
<ul style="list-style-type: none"> Outlines TWO benefits of professional accreditation for a financial services worker 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Accreditation should lead to greater job prospects and a greater volume of work / a higher salary. Acting within accreditation requirements can also have legal benefits for the financial services worker as this may prevent them from being held personally accountable if the act is within industry guidelines.

Question 17 (a)

Criteria	Marks
<ul style="list-style-type: none"> Outlines some content helpful for minimising the risks of working from home 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

A home-safety checklist should ascertain whether the employee has an ergonomic workstation to minimise desk-related injuries. The home-safety checklist should ascertain whether the employee has trip hazards/cords/boxes/clutter. The checklist should also work as a reminder for employees to take regular breaks towards staff welfare.

Question 17 (b)

Criteria	Marks
• Describes the purpose of ONE external and ONE internal source of WHS information relevant to workplaces	3
• Describes two sources of WHS information for workplaces	2
• Provides some information about WHS	1

Sample answer:

External sources of WHS information are the physical building codes and guidelines that outline the possible exits and entries for emergency use. An internal source of WHS information is the near-miss forms that should be used by the WHS committee to minimise future risks.

Answers could include:

Other internal sources could include use of workplace manuals for equipment and the use of internal signage that directs employees. External sources include websites such as SafeWork NSW.

Question 18 (a)

Criteria	Marks
• Compares characteristics of liabilities and owner's equity	2
• Provides some information about liabilities or owner's equity	1

Sample answer:

Liabilities are where the business owes money to another business in the future. Owner's equity refers to money that the owner has invested/retained in the business.

Question 18 (b)

Criteria	Marks
• Calculates both percentages correctly	2
• Provides some correct working	1

Sample answer:

<i>Margin as a percentage</i>	<i>Mark-up as a percentage</i>
$30 \div 80 = 37.5\%$	$30 \div 50 = 60\%$

Question 18 (c)

Criteria	Marks
• Correctly completes petty cash book, including correct formatting for balancing and reimbursing	3
• Correctly enters both petty cash transactions with an error in the balancing or reimbursement figures	2
• Provides some correct entries	1

Sample answer:

Receipt	Date	Details	Payments	GST	Postage	Stationery	Staff amenities
120.00	1 Aug	Opening balance					
	3 Aug	Envelopes	49.50	4.50		45.00	
	4 Aug	Milk, coffee	15.00				15.00
	5 Aug	Stamps	36.30	3.30	33.00		
			100.80	7.80	33.00	45.00	15.00
		Balance	19.20				
<u>120.00</u>			<u>120.00</u>				
19.20		Balance					
100.80	6 Aug	Cash reimbursement					

Question 19

Criteria	Marks
• Outlines how employees could use a range of documents to access information about their work responsibilities	4
• Outlines how employees could use some documents to access information about their work responsibilities	3
• Identifies how employees could use documents to access information about their work responsibilities OR • Outlines one document that the employee could use to access information about their work responsibilities	2
• Provides some relevant information	1

Sample answer:

A job description could contain a broad overview of the role, conditions of employment and how the role relates to the organisation from the employer’s perspective.

A relevant award/industrial agreement could confirm that their job description meets the requirements of industrial bodies.

A role/duty statement could contain key accountabilities and tasks that they could expect to undertake during the course of their usual duties.

Question 20 (a)

Criteria	Marks
• Completes the table correctly	3
• Completes most of the table correctly	2
• Provides some correct working	1

Sample answer:

<i>Date</i>	<i>Opening carrying amount</i>	<i>Depreciation</i>	<i>Closing carrying amount</i>
30 June 2021	25 000.00	3 125.00	21 875.00
30 June 2022	21 875.00	6 562.50	15 312.50

Question 20 (b)

Criteria	Marks
• Completes both journal entries correctly	3
• Completes bad debts recovered journal entry correctly OR	2
• Identifies most elements for each journal • Provides some correct information	1

Sample answer:

<i>Account to be debited</i>	<i>\$</i>	<i>Account to be credited</i>	<i>\$</i>
Accounts receivable	660	GST	60
		Bad debts recovered	600
Bank	660	Accounts receivable	660

Question 20 (c)

Criteria	Marks
<ul style="list-style-type: none"> • Correctly prepares the income statement • Clearly indicates the profit 	4
<ul style="list-style-type: none"> • Provides a substantially correct income statement 	3
<ul style="list-style-type: none"> • Correctly identifies some income and some expenses 	2
<ul style="list-style-type: none"> • Provides some relevant information 	1

Sample answer:

<i>Revenue</i>		
Fees received	30 000	
Dividends received	<u>1 500</u>	31 500
<i>Less: expenses</i>		
Depreciation	500	
Interest on mortgage	150	
Postage	400	
Salaries	3 000	
Stationery	<u>900</u>	<u>4 950</u>
NET PROFIT		26 550

Section III

Question 21

Criteria	Marks
<ul style="list-style-type: none"> Provides an extensive explanation of how the implementation of procedures can be used to improve efficiency and accuracy within the organisation Demonstrates extensive knowledge and understanding of the procedures within 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 how the implementation of procedures can be used to improve efficiency and accuracy within the organisation 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 how the implementation of procedures can be used to improve efficiency and accuracy within the organisation 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 some procedures and some improvements to efficiency and accuracy Demonstrates some understanding of the financial services industry Uses some industry terminology 	4–6
<ul style="list-style-type: none"> Makes general statements about procedures within an organisation 	1–3

Answers could include:

The following procedures will aid efficiency and improve accuracy.

- Accounting routines such as cross-checking entries made to the original source, posting group totals from specialised journals, reconciliations between accounts and ensuring the balance of financial reports attempts to ensure the accuracy of transactions being entered.
- Monthly or weekly reports are monitored by management looking for abnormal transactions, extremely large, small or duplicated transactions, eg daily banking routines.
- Confidentiality and privacy procedures that ascertain the correct identity of a client will reduce the opportunity for fraud, thus increasing accuracy.
- A computerised system for common data entry will reduce the potential for human error by reducing the opportunity for incorrect adding, formatting or bookings.
- Policies and procedures for workflows are pre-written so that if the employees change, the efficiency within the job is maintained, eg procedures for handling familiar client inquiries or complaints.
- Separation of duties such as two people counting and/or recording cash will increase accuracy.

- Compliance with industry guidelines for loans approvals, banking, investing should be built into workplace procedures to demonstrate minimum levels of accuracy.
- Document filing, storing and maintenance for keeping legal documents for the required years must become a routine so that accessing these documents in later years is an efficient process.
- Routine validation of identity, passwords, firewalls to prevent loss through hacking or computer fraud will increase the accuracy of data.
- Regular WHS meetings and protocols for reporting near misses, dealing with office accidents, routines for fire drills, evacuations should be established to gain efficiency in working safely.
- Regular staff meetings, team meetings, informal and formal communication should be used to aid efficient training in any procedures/changes.
- Establishing a fair-complaints process for harassment/discrimination issues will aid in having these issues identified early and addressed efficiently.

Section IV

Question 22 (a)

Criteria	Marks
<ul style="list-style-type: none"> Distinguishes between doubtful debts and bad debts supported by the correct value of doubtful debts 	4
<ul style="list-style-type: none"> Outlines some features of bad debts and doubtful debts and shows an understanding of the calculation of doubtful debts 	3
<ul style="list-style-type: none"> Identifies some features of bad debts or doubtful debts 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Doubtful debts are debts deemed non-recoverable in the next financial year, determined by management. They are calculated as a % of debtors' balances whereas bad debts are amounts that have been written off as non-recoverable in the past financial years. The value of doubtful debts is calculated on the accounts receivable but must not include any additional bad debts written off.

$$(\$600) \times 0.05 = \$280$$

Question 22 (b)

Criteria	Marks
<ul style="list-style-type: none"> Prepares a correct reconciliation and explains how the discrepancies should be fixed 	6
<ul style="list-style-type: none"> Prepares a reconciliation with minor errors and explains how the discrepancies should be fixed <p>OR</p> <ul style="list-style-type: none"> Prepares a correct reconciliation only 	4–5
<ul style="list-style-type: none"> Prepares a partially correct reconciliation and/or explains how some of the discrepancies found should be fixed 	2–3
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Balance as per statement	\$7 190
Less discount not received	\$30
Less returns not processed	\$150
Less payment not received	\$7 010
Balance as per ledger	\$0

Accounts Payable should be contacting Accounts Receivable at Town Office Supplies or flagging the discrepancies with their supervisor. The discrepancies are the discount that is not received with the Oct 5 payment and the Credit note #58 returns not processed. The payment not yet received of \$7010 is likely to be processed shortly.

Question 22 (c)

Criteria	Marks
• Constructs a correct balance sheet that may include insignificant errors	9–10
• Constructs a mostly correct balance sheet with mostly correct balance day adjustments	7–8
• Constructs a substantially correct balance sheet with some correct figures from balance day adjustments	5–6
• Demonstrates some understanding of a balance sheet and some understanding of balance day adjustments	3–4
• Provides some relevant information	1–2

Sample answer:

Balance Sheet as at 30 June 2022

<u>Assets</u>			
Bank		18 000	
Accounts Receivable	5 000		
Less: Provision for doubtful debts	<u>300</u>	4 700	
Investment		3 000	
Motor vehicle	45 000		
Less: Accumulated depreciation	<u>4 500</u>	40 500	
Buildings		200 000	
Advertising prepaid		<u>500</u>	<u>266 700</u>
<u>Liabilities</u>			
Accounts Payable		4 000	
Loan		130 000	
Wages accrued		<u>200</u>	<u>134 200</u>
NET ASSETS			<u>132 500</u>
<u>Owner's equity</u>			
Capital	108 100		
Add: Profit	<u>25 100</u>	133 200	
Less: Drawings		<u>700</u>	<u>132 500</u>

$$\begin{aligned}
 \text{Profit} &= 90\,000 - (50\,000 + 6\,500 + 400 + 250 + 4\,500 + 3\,250) \\
 &= 90\,400 - 64\,900 \\
 &= 25\,100
 \end{aligned}$$

Question 23 (a)

Criteria	Marks
<ul style="list-style-type: none"> Describes how an organisation could implement processes for payments 	4
<ul style="list-style-type: none"> Identifies processes for payments made by an organisation OR	3
<ul style="list-style-type: none"> Describes an example of how an organisation implements a process for payments 	
<ul style="list-style-type: none"> Identifies a standard process for payments made by an organisation 	2
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Before paying creditors, the organisation would need to ensure that all statements received are verified with quotes, purchase orders, delivery dockets, invoices or credit notes received. Once checked, the payments officer would pay the invoice or obtain authorisation from their supervisor to pay the invoice.

The organisation would need to ensure that payments are made on time so that credit arrangements are honoured and the organisation is not required to pay additional fees/charges.

The organisation would also need to ensure that discrepancies are resolved before payment is made. This could be done by ensuring that the payment status of an invoice payment is open until fully paid. Payment could be made using EFTPOS or cheques.

Question 23 (b)

Criteria	Marks
<ul style="list-style-type: none"> Recommends a range of strategies to ensure confidentiality and privacy when maintaining business records 	6
<ul style="list-style-type: none"> Recommends strategies to ensure confidentiality and/or privacy when maintaining business records 	4–5
<ul style="list-style-type: none"> Identifies a strategy to ensure confidentiality and/or privacy when maintaining business records 	2–3
<ul style="list-style-type: none"> Provides some relevant information 	1

Sample answer:

Organisations are required to maintain confidentiality and privacy when maintaining business records to meet the needs of customers and comply with legislative and regulatory requirements.

When maintaining the business financial records, it is important that employees are made aware of what information must be kept confidential and are given appropriate support and resources to ensure that this information is stored correctly and not discussed with people who the information is not intended for. The organisation could establish an employee handbook or workplace guidelines to ensure that this happens.

When working with customers' records, organisations should ensure that all personal information is stored securely eg in a secure physical location or a password-protected virtual drive. The organisation could invest in additional security (either physical security measures or technological security measures) to ensure that this happens.

Question 23 (c)

Criteria	Marks
<ul style="list-style-type: none"> Explains disadvantages and advantages for stakeholders Presents a logical and cohesive response Communicates using industry terminology appropriately 	9–10
<ul style="list-style-type: none"> Explains a disadvantage and advantage for stakeholders Presents a logical response Communicates using industry terminology 	7–8
<ul style="list-style-type: none"> Discusses disadvantages and/or advantages for stakeholders Communicates in an organised manner Uses some industry terminology 	5–6
<ul style="list-style-type: none"> Identifies a disadvantage or advantage for stakeholders OR <ul style="list-style-type: none"> Identifies a disadvantage and advantage for a stakeholder 	3–4
<ul style="list-style-type: none"> Provides some relevant information 	1–2

Answers could include:

Offering financial products and services through an agency can have a range of advantages and disadvantages for the financial services institution, the agency and the customer.

An advantage for the financial services institution is that they can sell their products at more locations without the costs of establishing a new branch. This allows them to more efficiently increase market share. A disadvantage is that they have less control over how the agency sells its products or service. This increases the likelihood of errors and can require the financial institution to provide more training and resources to the agency and its employees.

An advantage for the agency is that they often receive a payment for selling products and services on behalf of the financial organisation. This is often an effective way to increase revenue. This may also bring in additional customers for the agency. A disadvantage is the additional training required by workers to meet the demands of additional external policies and procedures. This places a burden on workers and may prevent them from doing other work for the agency.

An advantage for the customer is that agencies often provide a greater choice in products and services that are particularly beneficial in rural and remote communities that do not have enough potential customers to warrant an organisation opening a new branch. A disadvantage is that they are often not able to get the same level of service and advice from an agency as they would be able to get from the financial organisation directly.

It is important for financial services institutions to consider these implications when deciding to offer products and services through an agency.

2022 HSC Financial Services Mapping Grid

Section I

Question	Marks	HSC content – focus area
1	1	Work — technology – page 41
2	1	Financial operations — financial information – page 24
3	1	Industry context — anti-discrimination – page 31
4	1	Industry context — working in the industry – page 29
5	1	Industry context — working in the industry – page 30
6	1	Financial operations — financial information – page 24
7	1	Safety — WHS consultation and participation – page 34
8	1	Industry context — employment – page 30
9	1	Financial operations — financial calculations – page 26
10	1	Financial operations — financial transactions – page 27
11	1	Financial operations — financial transactions – page 26
12	1	Work — recording and reporting – page 40
13	1	Financial operations — financial transactions – page 27
14	1	Financial operations — financial calculations – page 26
15	1	Financial operations — financial transactions – page 27

Section II

Question	Marks	HSC content – focus area
16 (a)	2	Industry context — employment – page 30
16 (b)	2	Industry context — working in the industry – page 30
17 (a)	2	Safety — safe work procedures and practices – page 35, 36
17 (b)	3	Safety — work health and safety – page 33
18 (a)	2	Financial operations — financial information – page 24
18 (b)	2	Financial operations — financial calculations – page 26
18 (c)	3	Financial operations — financial transactions – page 26
19	4	Work — sources of information – page 38
20 (a)	3	Financial operations — financial calculations – page 26
20 (b)	3	Financial operation — financial transactions – page 26
20 (c)	4	Financial operations — financial transactions – page 26

Section III

Question	Marks	HSC content – focus area
21	15	Financial operations — financial transactions – page 26 Industry context — working in the industry – page 29 Work — recording and reporting – page 40

Section IV

Question	Marks	HSC content – focus area
22 (a)	4	Accounting stream — financial reports – page 45
22 (b)	6	Accounting stream — subsidiary accounts and ledgers – page 44
22 (c)	10	Accounting stream — financial reports – page 45
23 (a)	4	Financial services stream — payment system – page 50
23 (b)	6	Financial services stream — record-keeping in the financial services industry – page 51
23 (c)	10	Financial services stream — agency for financial services institutions – page 48