



NSW Education Standards Authority

2022 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, 11 and 13

Total marks: 80

Section I – 15 marks (pages 2–6)

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

Section II – 30 marks (pages 9–15)

- Attempt Questions 16–20
- Allow about 45 minutes for this section

Section III – 15 marks (page 17)

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

Section IV – 20 marks (pages 18–21)

- Attempt either Question 22 or Question 23
- Allow about 30 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 A financial services employee needs to determine the total interest of a loan.

Which type of software is the employee most likely to use?

- A. Database
- B. Spreadsheet
- C. Presentation
- D. Word processing

2 *Limited liability* is a feature of a

- A. contractor.
- B. sole trader.
- C. partnership.
- D. corporation.

3 A worker has recently stopped contributing verbally in meetings because they feel that when they speak they are continually interrupted and mocked by a group of colleagues.

What type of harassment is this?

- A. Physical
- B. Psychological
- C. Racial
- D. Sexual

4 The entity that oversees bank, insurance and superannuation institutions is the

- A. NSW Ombudsman.
- B. Reserve Bank of Australia (RBA).
- C. Australian Prudential Regulation Authority (APRA).
- D. Australian Competition and Consumer Commission (ACCC).

5 A loan officer approves customer loans for applicants with incomes that are below industry requirements.

Which of the following best describes the loan officer's actions?

- A. Privacy issue
- B. Breach of rules
- C. Conflict of interest
- D. Breaking confidentiality

6 A business revalues its assets using the lowest of three valuations.

This is appropriate under the convention of

- A. conservatism.
- B. consistency.
- C. disclosure.
- D. materiality.

7 Which of the following best describes the purpose of a workplace health and safety committee?

- A. Purchasing PPE for employees in a workplace
- B. Resolving workplace disputes between employees
- C. Monitoring and improving health and safety in a workplace
- D. Reprimanding employees for not adhering to safety signage

- 8 Which of the following is most likely to be found in an industrial award?
- A. Average conditions of employment across an industry
 - B. Minimum conditions of employment for workers across an industry
 - C. An agreement of conditions between an employee and a workplace
 - D. Conditions of employment determined by a union or professional association
- 9 At 4% per annum simple interest, how much would need to be invested today to have a total of \$19 600 after three years?
- A. \$8910
 - B. \$17 248
 - C. \$17 500
 - D. \$18 850
- 10 A business has the following accounts.

Drawings	\$10 000
Creditors	\$70 000
Term deposit	\$30 000
Bank overdraft	\$90 000
Capital	\$40 000
Mortgage	\$80 000
Debtors	?

What is the value of the Debtors account?

- A. \$60 000
- B. \$80 000
- C. \$240 000
- D. \$260 000

11 Late fees charged to a debtor were mistakenly allocated to the Sales account.

What is the general journal entry that would correct this mistake?

- A. Debit Sales, credit Late fees income
- B. Debit Late fees income, credit Sales
- C. Debit Accounts receivable, credit Bank
- D. Debit Bank, credit Accounts receivable

12 A direct line of reporting in the financial services industry is

- A. shareholder, customer, manager, owner.
- B. payroll officer, loan officer, bank teller, manager.
- C. receptionist, clerk, product manager, shareholder.
- D. clerk, accountant, finance manager, chief executive officer.

13 A business has the following opening balances in the GST ledger and Bank ledger on 1 September.

GST \$100 Debit

Bank \$2000 Debit

An extract of the Cash Payments Journal is shown.

<i>Date</i>	<i>Particulars</i>	<i>Bank</i>	<i>Electricity</i>	<i>Accounts payable</i>	<i>GST</i>	<i>Discount</i>
1 Sept	Power Co	330	300		30	
2 Sept	J Stone	400		444	(4)	(40)

On 2 September the GST and Bank accounts will appear in the trial balance as

- A. GST \$74 Debit and Bank \$1270 Credit.
- B. GST \$126 Debit and Bank \$1270 Debit.
- C. GST \$74 Credit and Bank \$2730 Credit.
- D. GST \$126 Credit and Bank \$2730 Debit.

- 14** A business sells a financial product at a price of \$500. The administration cost per product is \$150. The financial planner is paid a fixed salary of \$100 000.

What is the total sales figure that the business needs to achieve for a profit of \$50 000?

- A. \$71 500
- B. \$143 000
- C. \$150 000
- D. \$214 500

- 15** The bank statement of a business shows a debit balance of \$4200 as at 30 April. Outstanding deposits total \$6800 and unpresented cheques total \$1500.

What will be the balance of the bank account in the business's general ledger as at 30 April?

- A. Debit \$1100
- B. Debit \$9500
- C. Credit \$1100
- D. Credit \$9500

BLANK PAGE

BLANK PAGE

--	--	--	--	--

Centre Number

Financial Services

--	--	--	--	--	--	--	--	--

Student Number

Section II

30 marks

Attempt Questions 16–20

Allow about 45 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 (4 marks)

- (a) Describe a potential benefit of implementing equal employment opportunity practices for a financial services organisation. **2**

.....

.....

.....

.....

.....

- (b) Outline TWO benefits of professional accreditation for a financial services worker. **2**

.....

.....

.....

.....

Question 17 (5 marks)

- (a) With an increase in office staff working from home, outline content that should be included in a ‘working from home’ safety checklist. **2**

.....

.....

.....

.....

.....

- (b) Describe the purpose of ONE external and ONE internal source of workplace WHS information. **3**

.....

.....

.....

.....

.....

.....

.....

.....

--	--	--	--	--

Centre Number

Financial Services

--	--	--	--	--	--	--	--	--	--

Student Number

Section II (continued)

Question 18 (7 marks)

- (a) Compare the characteristics of *liabilities* and *owner's equity*. **2**

.....

.....

.....

.....

.....

- (b) A product costs \$50 to produce and sells for \$80. **2**

Complete the following table for this product.

<i>Margin as a percentage</i>	<i>Mark-up as a percentage</i>

Question 18 continues on page 12

Question 18 (continued)

(c) A business's incomplete petty cash book for August is shown below.

3

Complete the petty cash book by including the following transactions:

- 4 Aug milk and coffee supplies attracting no GST purchased for \$15.00
- 5 Aug postage stamps for envelopes purchased for \$36.30 including GST
- 6 Aug balancing and reimbursement of petty cash.

<i>Receipt</i>	<i>Date</i>	<i>Details</i>	<i>Payments</i>	<i>GST</i>	<i>Postage</i>	<i>Stationery</i>	<i>Staff amenities</i>
120.00	1 Aug	Opening balance					
	3 Aug	Envelopes	49.50	4.50		45.00	
		Balance					
_____			_____				
		Balance					

End of Question 18

--	--	--	--	--

Centre Number

Financial Services

--	--	--	--	--	--	--	--	--

Student Number

Section II (continued)

Question 19 (4 marks)

An employee has recently started a new job at a financial services organisation and is unsure of their work responsibilities.

4

Outline how workplace documents could assist the employee to obtain information about these responsibilities.

.....

.....

.....

.....

.....

.....

.....

.....

.....

Please turn over

Question 20 (10 marks)

- (a) A motor vehicle was purchased on 1 February 2021 for \$27 500 including GST. Its value is depreciable at 30% per annum using the reducing balance method. **3**

Complete the table to determine the opening carrying amount, depreciation and closing carrying amount for 30 June 2021 and 30 June 2022.

<i>Date</i>	<i>Opening carrying amount</i>	<i>Depreciation</i>	<i>Closing carrying amount</i>
30 June 2021			
30 June 2022			

- (b) A business had previously written off a bad debt of \$660 for a customer. The business has now recovered the full amount. **3**

Show the journal entries required in order to record the recovery of the bad debt.

<i>Account to be debited</i>	\$	<i>Account to be credited</i>	\$

Question 20 continues on page 15

BLANK PAGE

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
-

Question 21 (15 marks)

Explain procedures that can be implemented to improve efficiency and accuracy within a financial services organisation.

Please turn over

Section IV

20 marks

Attempt either Question 22 or Question 23

Allow about 30 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) As at 30 June 2022, a business listed the following balances. **4**

Accounts receivable	\$5600
Bad debts	\$900
Doubtful debts to be calculated at 5%	

Distinguish between *doubtful debts* and *bad debts*. Support your answer by calculating doubtful debts.

- (b) The following two tables are from Finance Ltd's accounts payable ledger. **6**

<i>Reconciliation for Town Office Supplies as at 30 September 2022</i>	
Balance as per supplier's statement	10 640.00
<i>Less:</i> Outstanding invoices	3 610.00
	<hr/> 7 030.00
<i>Less:</i> Payment made not yet recorded	2 500.00
	<hr/> 4 530.00
Balance as per general ledger	4 530.00

Question 22 continues on page 19

Question 22 (continued)

Accounts payable ledger: Town Office Supplies				
<i>Date</i>	<i>Particulars</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>
1 Oct	Balance			4 530.00 Cr
2 Oct	Invoice #83		3 610.00	8 140.00 Cr
5 Oct	Cheque #588001	4 500.00		3 640.00 Cr
5 Oct	Discount received	30.00		3 610.00 Cr
8 Oct	Credit note #34	100.00		3 510.00 Cr
20 Oct	Invoice #89		2 450.00	5 960.00 Cr
23 Oct	Invoice #112		1 200.00	7 160.00 Cr
25 Oct	Credit note #58	150.00		7 010.00 Cr
29 Oct	Bank	7 010.00		0.00 Cr

Finance Ltd received the following statement from Town Office Supplies for the month of October.

Town Office Supplies				
To: Finance Ltd		Customer no.: B561		
Statement for the month of October 2022				
<i>Date</i>	<i>Particulars</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>
1 Oct	Opening balance			10 640.00
1 Oct	Receipt #351		2 500.00	8 140.00
8 Oct	Receipt #379		4 500.00	3 640.00
8 Oct	Credit note #34		100.00	3 540.00
20 Oct	Invoice #89	2 450.00		5 990.00
23 Oct	Invoice #112	1 200.00		7 190.00

Explain how Finance Ltd's accounts payable clerk should proceed with the discrepancies found between the Finance Ltd and Town Office Supplies accounts. Include the October reconciliation as part of your response.

Question 22 continues on page 20

Question 22 (continued)

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

(c) A business has the following trial balance as at 30 June 2022.

10

Trial balance as at 30 June 2022		
<i>Account</i>	<i>Debit</i> (\$)	<i>Credit</i> (\$)
Accounts receivable	5 000	
Accounts payable		4 000
Advertising	7 000	
Bad debts	400	
Bank	18 000	
Buildings	200 000	
Capital		108 100
Cost of goods sold	50 000	
Drawings	700	
Electricity	250	
Investment	3 000	
Loan		130 000
Motor vehicle	45 000	
Provision for doubtful debts		300
Sales		90 000
Wages	3 050	
	332 400	332 400

Construct a classified Balance Sheet taking into account the following balance day adjustments:

- depreciation of 10% straight line on motor vehicles
- wages of \$200 due and unpaid
- \$500 advertising has already been paid for a campaign starting next financial year.

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) An organisation has a large number of creditors that require monthly payments. **4**

Describe standard processes that the organisation could implement to make these payments.

- (b) Recommend strategies to ensure confidentiality and privacy when maintaining a range of business records. **6**

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

- (c) Explain the advantages and disadvantages of offering financial products and services through an agency. Consider the financial services institution, the agency and the customer in your response. **10**

End of paper

BLANK PAGE

BLANK PAGE

BLANK PAGE