



NSW Education Standards Authority

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Centre Number

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Student Number

2023 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 this page and 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 18–20)

- 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 What is the correct account classification for stationery?

- A. Asset
- B. Liability
- C. Expense
- D. Owner's equity

2 A receipt is shown.

Receipt		
*Milk	\$	3.50
Newspaper	\$	1.20
Postage	\$	5.00
		9.70
*Not taxable		

What is the amount of GST that applies to this purchase?

- A. \$0.56
 - B. \$0.62
 - C. \$0.88
 - D. \$0.97
- 3 What is the purpose of a duty statement?
- A. It describes an employee's strengths and weaknesses.
 - B. It outlines an employee's responsibilities within a position.
 - C. It outlines a business's objectives, ethics and philosophy.
 - D. It provides a daily checklist of activities assigned to an employee.

4 A business has the following accounts.

Machinery	\$10 000
Inventory	\$5 000
Accounts receivable	\$3 000
Accounts payable	\$4 500
Rent received	\$1 000
Bank	\$22 000
Depreciation	\$2 500

What is the value of the business's total assets?

- A. \$37 000
 - B. \$40 000
 - C. \$47 000
 - D. \$48 000
- 5 Which of the following is necessary for effective teamwork?
- A. Clear guidelines, active listening, collaboration
 - B. Clear guidelines, active listening, self-promotion
 - C. Common goals, controlling personalities, cooperation
 - D. Conflict, shared decision-making, withholding information
- 6 What does a *code of conduct* contain?
- A. Legislation to protect employees and clients
 - B. Standards that can be expected from employees
 - C. Information about the features of a financial product
 - D. A plan of action to implement policy within an organisation

- 7** Which of the following lists areas within the responsibility of the financial services industry?
- A. Technology, currency and interest rate pressures
 - B. Accounting, asset management and GST legislation
 - C. Banking, insurance and superannuation organisations
 - D. Credit management, mortgage broking and economic climate
- 8** Which of the following would be considered a conflict of interest in the financial services industry?
- A. An organisation supporting a local charity with donations
 - B. An insurance agent viewing the personal profile of a customer
 - C. A bank officer approving a credit card application for a friend
 - D. An accounts clerk advising a customer of an overdrawn account
- 9** Which of the following is the correct journal entry to record a payment received from a customer for a previous sale of \$2750 (inclusive of GST)?
- A. Debit accounts receivable \$2750, credit bank \$2750
 - B. Debit bank \$2750, credit accounts receivable \$2750
 - C. Debit accounts receivable \$2750, credit sales \$2500, credit GST \$250
 - D. Debit bank \$2750, credit accounts receivable \$2500, credit GST \$250
- 10** Repetitive strain injury is a common workplace injury.
- The costs associated with this injury are
- A. formal and informal.
 - B. social and administrative.
 - C. economic and sustainable.
 - D. human and organisational.

11 Which of the following is LEAST likely to be part of a quality improvement plan?

- A. Professional development
- B. Performance management
- C. Auditing and accreditation
- D. Industry award conditions

12 The opening balance of a creditor's account with a business was \$2500. The business returned purchases of \$100 then made additional purchases of \$700. The business paid the creditor \$1500 after receiving an \$80 discount.

What was the closing balance of the creditor's account?

- A. \$1520
- B. \$1680
- C. \$3480
- D. \$4520

13 A customer seeking a \$10 000 loan is offered an interest rate of 6.8% per annum by one bank and 7.2% per annum by a second bank.

What is the difference in the monthly repayment if the loan is repaid over 2 years using simple interest?

- A. \$3.33
- B. \$6.66
- C. \$40.00
- D. \$80.00

- 14 A business has the following list of account balances.

<i>Account</i>	\$
Accounts receivable	15 000
Advertising	700
Bank	7 000
Bank account fees	50
Capital	27 000
Cost of goods sold	12 000
Drawings	1 000
GST payable/GST collected	550
Insurance	1 000
Inventory	20 000
Sales	35 000

What is the net profit from the account balances?

- A. \$13 250
 - B. \$20 250
 - C. \$20 700
 - D. \$21 250
- 15 A business purchased equipment on 1 September 2021 for \$55 000 excluding GST which depreciates using the diminishing value method at a rate of 30% per annum.

What will be the accumulated depreciation as at 30 June 2023?

- A. \$13 750
- B. \$26 125
- C. \$28 875
- D. \$41 250

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Centre Number

Financial Services

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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 (5 marks)

- (a) Describe ONE significant difference between *accounts payable* and *accounts receivable*. 2

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- (b) Describe TWO types of harassment in the workplace and ONE recourse available to the person being harassed. 3

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Question 17 (6 marks)

- (a) A supervisor notices a worker experiencing difficulty in using the photocopier. **3**

Explain how the supervisor could use questioning techniques to provide assistance to the worker.

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- (b) Describe the responsibilities of a health and safety representative (HSR) in the workplace. **3**

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Centre Number

Financial Services

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Student Number

Section II (continued)

Question 18 (7 marks)

- (a) Outline how ONE source document may be used in the process of purchasing office equipment on credit. **2**

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- (b) The selling price of a product is \$8 per unit and the variable cost of the product is \$3 per unit. **2**

The business has fixed costs of \$160 000 per month.

Calculate the number of units that needs to be sold each month to meet a monthly target of \$40 000 profit.

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Question 18 continues on page 12

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Centre Number

Financial Services

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Student Number

Section II (continued)

Question 19 (4 marks)

- (a) How should an employee respond to constructive negative feedback about their performance? **2**

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- (b) Outline TWO strategies an employee can use to maintain industry currency. **2**

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Question 20 (8 marks)

- (a) The general ledger of a business shows that on 1 August 2023 the bank account is \$3200 in credit. During August, the business receives cash of \$4800 and makes cash payments of \$2100.

4

On 31 August 2023, the bank statement shows a closing balance of \$220 credit. When reconciling entries, cheque 108 for \$1560 is unrepresented and a deposit for \$840 is outstanding.

Complete the bank reconciliation statement as at 31 August 2023.

Bank reconciliation statement as at 31 August 2023

Question 20 continues on page 15

Question 20 (continued)

- (b) The table provides information about three accounting transactions.

4

Identify the account(s) that should be debited and the account(s) that should be credited for each of the transactions.

<i>Transaction</i>	<i>Account(s) to be debited</i>	<i>Account(s) to be credited</i>
The owner commences business with a computer and cash.		
The business purchases office equipment on credit, including GST.		
Interest is charged to a customer on an overdue account.		

End of Question 20

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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)

Explain workplace procedures that a financial services business can use to address sustainable work practices and ethical and legal responsibilities.

Please turn over

Section IV

20 marks

Attempt either Question 22 or Question 23

Allow about 30 minutes for this section

Answer the 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) A business has the following incomplete asset register. 4

Asset register for machinery				
ASSET: Machinery (excl. GST)				
<i>Date</i>	<i>Asset cost</i>	<i>Straight line Depreciation</i>	<i>Accumulated depreciation</i>	<i>Book value</i>
1 July 2021	22 000			
30 June 2022		3000	3000	19 000
30 June 2023		3000	6000	16 000
1 October 2023				

Construct the disposal account for machinery that was sold for cash on 1 October 2023 for \$16 280 (\$14 800 + \$1480 GST).

- (b) A business has the following aged debtors report. 6

Aged debtors report as at 30 September 2023					
<i>Name</i>	<i>Balance (\$)</i>	<i>Current (\$)</i>	<i>31–60 days (\$)</i>	<i>61–90 days (\$)</i>	<i>91+ days (\$)</i>
GHI	3300	3300			
MNO	11 000	5280	5720		
PQR	55				55
UVW	19 800		1100		18 700

Prepare the general journal entry to write off debtor PQR, and outline appropriate collection procedures for all other debtors.

Question 22 continues on page 19

Question 22 (continued)

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

(c) A business has the following interim account balances as at 30 June 2023.

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<i>Account name</i>	\$
Accounts payable	4 000
Accounts receivable	18 000
Bad debts recovered	1 300
Bank overdraft	5 000
Capital	71 080
Cost of goods sold	160 000
Doubtful debts	280
General expenses	600
Insurance	1 500
Interest on overdraft	900
Motor vehicles	140 000
Sales	300 000
Telephone	2 000
Wages	64 000

Balance day adjustments are:

- Prepaid insurance \$250
- Accrued wages \$3800
- Interest income accrued \$700
- Annual leave entitlement \$7000.

Using the interim account balances provided, prepare the income statement that includes all balance day adjustments for the year ended 30 June 2023.

End of Question 22

OR

Please turn over

Question 23 – Financial Services (20 marks)

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

- (a) Describe how TWO types of non-cash transaction are processed. **4**
- (b) Using examples, explain how customer complaints can be effectively handled in an agency. **6**

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

- (c) Explain the legislative or regulatory requirements in the financial services industry relating to customer service, business records, payments and taxation. **10**

End of paper