



NSW Education Standards Authority

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Centre Number

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Student Number

**2024** HIGHER SCHOOL CERTIFICATE EXAMINATION

# Financial Services

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## 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, 13 and 15

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## 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 9–16)

- Attempt Questions 16–19
- Allow about 45 minutes for this section

### Section III – 20 marks (pages 17–20)

- Attempt either Question 20 or Question 21
- Allow about 30 minutes for this section

### Section IV – 15 marks (page 21)

- Attempt Question 22
- Allow about 25 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.

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- 1** Many emails contain the sentence ‘Please consider the environment before printing this email’ as part of their signature.

What is being promoted by businesses who include this sentence in their emails?

- A. Confidentiality
- B. Ergonomics
- C. Sustainability
- D. Time management

- 2** A business purchases stationery for \$12.10, including GST.

What is the cost of the stationery, excluding GST?

- A. \$1.10
- B. \$1.21
- C. \$10.89
- D. \$11.00

- 3** Which of the following options includes effective cross-cultural communication skills?

- A. Developing audience awareness and practising active listening
- B. Paying attention to verbal cues and not observing nonverbal cues
- C. Asking questions on what is being discussed and using acronyms
- D. Using an appropriate tone of voice and dominating the conversation

- 4 An employee in the financial services industry can participate in the work health and safety (WHS) consultative process by
- A. using ergonomic equipment.
  - B. contributing to staff meetings on WHS concerns.
  - C. using personal protective equipment when required.
  - D. following directions during fire evacuation procedures.
- 5 A product costing \$53 is to be marked up by 230%.
- What will be the selling price?
- A. \$76.04
  - B. \$119.04
  - C. \$174.90
  - D. \$227.90
- 6 Which of the following strategies would help an organisation to maintain industry currency?
- A. Reviewing client reconciliations and bank statements
  - B. Providing regular training and professional development
  - C. Encouraging regular team meetings towards goal-setting
  - D. Proposing changes to the marketing and advertising budget
- 7 What is a key component of performance management?
- A. Treating each employee equally
  - B. Monitoring an employee's work
  - C. Improving an employee's working conditions
  - D. Managing work health and safety risks to an employee

- 8** The exchange rate between Australian dollars and Euros is \$1 AUD = €0.657 EUR with each conversion incurring a \$5 AUD fee.

What amount in Australian dollars is required to pay an invoice for €800 EUR?

- A. \$528.89
  - B. \$530.60
  - C. \$1217.66
  - D. \$1222.66
- 9** Which of the following will increase owner's equity in a business?
- A. Making a profit of \$35 000 for the year
  - B. Purchasing computer equipment during the year
  - C. Making a payment of \$500 for personal expenses
  - D. Paying a GST obligation to the Australian Taxation Office during the year
- 10** Professional associations and unions share a common role to
- A. regulate the industry.
  - B. allocate government funding.
  - C. enhance profits in the industry.
  - D. further the interest of their members.
- 11** In a cash payments journal, the electricity and GST columns would be posted to the ledger accounts as
- A. debit electricity, debit GST.
  - B. debit electricity, credit GST.
  - C. credit electricity, debit GST.
  - D. credit electricity, credit GST.

12 Which of the following are types of financial risk?

- A. Credit and liquidity
- B. Selling and distribution
- C. Marketing and sustainability
- D. Administration and operations

13 Equipment is purchased on 1 November 2023 for \$6050 (\$5500 + \$550 GST). The equipment's effective life is 4 years. The business uses straight line depreciation method.

What is the balance of the accumulated depreciation account for the financial year ended 30 June 2025?

- A. \$916.67
- B. \$1008.33
- C. \$2291.67
- D. \$2520.83

14 A business has the following list of account balances. The insurance figure is missing.

<i>Account name</i>	<i>(\$)</i>
Bad debts recovered	750
Capital	1 730
Creditors	2 750
Debtors	8 320
Discount allowed	150
Discount received	500
Drawings	200
Fees received	15 000
Insurance	?
Machinery	9 000

What is the missing account balance for insurance?

- A. \$1560
- B. \$2360
- C. \$3060
- D. \$3360

- 15 The following is a bank reconciliation statement for a bank account.

<b>Bank reconciliation statement as at 30 October 2024</b>	
Debit balance as per bank statement	\$700
<u>Add</u> : Outstanding deposits	\$100
<u>Less</u> : Unpresented cheques	\$200
Credit balance as per bank ledger	\$800

Which of the following is true based on the bank reconciliation statement?

- A. Invoices of \$200 are yet to be paid.
- B. The cash receipts total for the month is shown.
- C. The opening balance of the bank account is \$700.
- D. The closing balance of the bank account is in overdraft.

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## Section II

30 marks

Attempt Questions 16–19

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.

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### Question 16 (4 marks)

- (a) Outline TWO benefits of a partnership business structure over a sole trader structure. 2

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- (b) Outline how industry-specific software can be used in the financial services industry. 2

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**Question 17** (7 marks)

- (a) A business uses a petty cash imprest system. Two vouchers for the month of September 2024 are shown.

**3**

<i>Voucher #:</i> 011	<i>Date:</i> 12/9/2024
<i>Amount received:</i>	\$23.80
<i>For:</i>	Tea/coffee
<i>Signature:</i>	J Dee

<i>Voucher #:</i> 012	<i>Date:</i> 20/9/2024
<i>Amount received:</i>	\$11.00 includes GST
<i>For:</i>	Postage stamps
<i>Signature:</i>	J Dee

Complete the petty cash book by recording the vouchers, balancing the petty cash book and calculating the reimbursement for the petty cash for the month ended 30 September 2024.

<i>Receipt</i> (\$)	<i>Date</i>	<i>Voucher #</i>	<i>Particulars</i>	<i>Amount paid</i> (\$)	<i>Office expenses</i> (\$)	<i>Travel</i> (\$)	<i>Staff amenities</i> (\$)	<i>GST</i> (\$)
100.00	2/9/24							
	6/9/24	009	Taxi	16.50		15.00		1.50
	7/9/24	010	Magazine	7.98	7.25			0.73
			<i>Totals</i>					
			<i>Balance</i>					
			<i>Balance</i>					
			<i>Reimbursement</i>					

**Question 17 continues on page 11**

Question 17 (continued)

(b) A business has the following transactions:

4

- A photocopier is purchased for \$2200 on credit (including GST)
- A customer has been declared bankrupt. The business writes off the customer's account for \$440 (including GST)
- The owner withdraws \$300 cash from the business for personal purposes.

Prepare the general journal entries for the transactions.

<i>Account name</i>	<i>Debit</i> (\$)	<i>Credit</i> (\$)

**End of Question 17**

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## Section II (continued)

### Question 18 (10 marks)

- (a) Give an example of how a business may breach anti-discrimination legislation and suggest a strategy to prevent this. **2**

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- (b) Two employees working on a project disagree on the direction of the project, resulting in a delay. **3**

Outline TWO strategies a supervisor can use to resolve this conflict.

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**Question 18 continues on page 14**

Question 18 (continued)

- (c) Explain the difference between *risk assessment* and *risk control*. Include an example of each in your answer. **3**

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- (d) What are the features of a Chart of Accounts? **2**

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**End of Question 18**

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## Section II (continued)

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### Question 19 (9 marks)

- (a) Outline how an *act* and a *code of practice* differ. **2**

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- (b) Outline the correct order of steps in the accounting process to record a transaction from a source document through to financial reports. **3**

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**Question 19 continues on page 16**



## Financial Services

### Section III

**20 marks**

**Attempt either Question 20 or Question 21**

**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.

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#### **Question 20 — Accounting (20 marks)**

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

- (a) A business has the following list of accounts as at 30 June 2024.

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<i>Account name</i>	(\$)
Sales	\$150 000
Cost of goods sold	\$90 000
Staff salaries	\$5 000
Insurance	\$3 000

Prepare the trading account and the profit and loss account to close the accounts for the period ended 30 June 2024.

**Question 20 continues on page 18**

Question 20 (continued)

- (b) On 31 August, it was agreed a customer owed \$2000 to a supplier for previous purchases.

6

The customer's account contains the following accounts payable ledger for September 2024.

<b>Accounts payable ledger for the supplier</b>				
		<i>Debit</i>	<i>Credit</i>	<i>Balance</i>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
8 Sept	Cheque #589	2 000		0
15 Sept	Invoice #145		1 500	1 500 Cr
16 Sept	Credit note #20 (re invoice #145)	300		1 200 Cr
24 Sept	Invoice #239		670	1 870 Cr

On 30 September, the statement received from the supplier showed that the customer owed \$2260 to the supplier.

On investigation, the following discrepancies were identified:

- Invoice #145 for \$1500 included \$300 of goods not received by the customer. (No credit note in the supplier statement received)
- Invoice #239 for \$670 was incorrectly charged as \$760 on the monthly statement received from the supplier.

Explain how these discrepancies can be resolved and support your answer with a supplier's reconciliation as at 30 September 2024.

**Question 20 continues on page 19**

Question 20 (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 2024.

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<i>Account name</i>	<i>(\$)</i>
Accounts payable	1 600
Accounts receivable	75 000
Accumulated depreciation – equipment	11 270
Bad debts expense	2 800
Cash at bank	4 150
Capital	20 580
Cost of goods sold	53 200
Depreciation	3 000
Electricity	6 200
Equipment	69 700
Inventory	10 400
Loan	30 000
Rent received	22 500
Salary	8 500
Sales	147 000

Balance day adjustments required:

- create an allowance for doubtful debts to be 5% of accounts receivable
- rent income of \$15 000 was received on 1 May 2024 for the 3 month period (1 May 2024 to 31 July 2024)
- electricity was prepaid by \$300.

Using the interim account balances provided, prepare a classified balance sheet that includes all balance day adjustments as at 30 June 2024.

**End of question 20**

**You may now proceed to Section IV**

**OR**

**Question 21 – Financial Services (20 marks)**

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

- (a) Describe how the elements of accuracy, authenticity and completeness can be used when processing transactions in an agency. **4**
- (b) Using examples, describe policies and procedures for record-keeping that could be used throughout the records continuum. **6**

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

- (c) Client and payee databases may contain customer names, contact details, unique identifiers, payment methods and invoice information. However, databases may also contain errors. **10**

Describe the processes and procedures that a business could implement to prevent errors in processing client payments.

## **Section IV**

**15 marks**

**Attempt Question 22**

**Allow about 25 minutes for this section**

Answer the question in a SEPARATE writing booklet. Extra writing booklets are available.

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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 22** (15 marks)

Explain how a worker can apply their communication, customer service and teamwork skills in the financial services industry.

**End of paper**

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