

F3 and FFA Full Specimen Exam Answers

Question	Correct answer	Marks
1	Closing net assets + drawings - capital introduced - opening net assets	2
2	The exact amount of expenditure is reimbursed at intervals to maintain a fixed float	2
3	2 and 3 only	2
4	331760	2
5	A cheque received from a customer was credited to cash and correctly recognised in receivables Rent received was included in the trial balance as a debit balance	2
6	Current assets: \$22,240 Current liabilities: \$nil	2
7	97100	2
8	Xena is suffering from a worsening liquidity position in 20X9	2
9	A statement of cash flows prepared using the direct method produces a different figure to net cash from operating activities from that produced if the indirect method is used – False Rights issues of shares do not feature in a statement of cash flows – False A surplus on revaluation of a non-current asset will not appear as an item in a statement of cash flows - True A profit on the sale of a non-current asset will appear as an item under cash flows from investing activities in a statement of cash flows - False	2
10	\$475,900	2

11	<p>A sole trader's financial statements are private; a company's financial statements are sent to shareholders and may be publicly filed</p> <p>A sole trader is fully and personally liable for any losses that the business might make</p>	2
12	<p>The analysis of financial statements using ratios provides useful information when compared with previous performance or industry averages</p>	2
13	<p>\$36,750 Dr</p>	2
14	<p>The useful lives of intangible assets capitalised in the financial statements</p> <p>Impairment losses written off intangible assets during the period</p>	2
15	<p>2 only</p>	2
16	<p>\$6,600</p>	2
17	<p>22000</p>	2
18	<p>\$437,830</p>	2
19	<p>Carriage inwards</p> <p>Depreciation of factory plant</p>	2
20	<p>17060</p>	2
21	<p>Ordinary share capital: \$225,000 Share premium account: \$250,000</p>	2
22	<p>1 and 3 only</p>	2
23	<p>\$55,000</p>	2
24	<p>24</p>	2
25	<p>Sales tax is an expense to the ultimate customer of the goods purchased - True</p>	2

	Sales tax is recorded as income in the accounts of the entity selling the goods- False	
26	1, 2, 3 and 4	2
27	Cannon should provide for the expected cost of the claim of \$100,000	2
28	1015	2
29	\$3,670 balance at bank	2
30	Completeness Neutrality	2
31	\$307,100	2
32	Yes Yes Yes Yes	2
33	\$188,500	2
34	32400	2
35	Discounts received of \$150 was extracted to the debit column of the trial balance	2

MTQ 36

Task 1 (11 marks)

Consolidated statement of profit or loss for the year ended 31 May 20X6	
	\$000
Revenue	8,400 + 3,200 - 1,500
Less: Cost of sales	4,600 + 1,700 - 1,500 + (30% x 500)
Gross profit	5150
Less: Distribution costs	2010
Administrative costs	1150
Profit before tax	1990
Less: Tax	740
Profit for the year	1250
Attributable to:	
Equity owners of Keswick Co	Group profit after tax - Non-controlling interest
Non-controlling interest	80

Task 2 (4 marks)

Significant influence	No
Control	Yes
Non-controlling interest	Yes
Greater than 50% of the equity shares being held by an investor	Yes
100% of the equity shares being held by an investor	Yes
Greater than 50% of the preference shares being held by an investor	No
50% of all shares and debt being held by an investor	No
Greater than 50% of preference shares and debt being held by an investor	No

MTQ 37**Task 1 (4 marks)**

Buildings at cost	Yes
Buildings accumulated depreciation at 1 November 20X6	No
Plant at cost	Yes
Plant accumulated depreciation at 1 November 20X6	No
Bank balance	Yes
Revenue	No
Net purchases	No
Inventory at 1 November 20X6	No
Cash	Yes
Trade payables	Yes
Trade receivables	Yes
Administrative expenses	No
Allowance for receivables at 1 November 20X6	No
Retained earnings at 1 November 20X6	No
Equity shares, \$1	Yes
Share premium account	Yes

Task 2 (3 marks)

Trade receivable	No debit or credit
Administrative expenses	Debit
Allowance for receivables	Credit
Revenue	No debit or credit
Profit or loss	6 thousand

Task 3 (5 marks)

Administrative expenses	No debit or credit
Cost of sales	Debit
Buildings cost	No debit or credit

Plant cost	No debit or credit
Buildings accumulated depreciation	Credit
Plant accumulated depreciation	Credit
Buildings depreciation charge	37 thousand
Plant depreciation charge	22 thousand

Task 4 (1.5 marks)

Cost of sales	1225 thousand
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Task 5 (1.5 marks)

Debit	Administrative expenses
Credit	Accrual
Adjustment value	10 thousand