

## FA and FFA Full Specimen Exam Answers

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

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

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

### MTQ 36

#### Task 1 (11 marks)

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

**Task 2 (4 marks)**

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

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

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

**Task 2 (3 marks)**

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

**Task 3 (5 marks)**

Administrative expenses	<b>No debit or credit</b>
Cost of sales	<b>Debit</b>
Buildings cost	<b>No debit or credit</b>

Plant cost	<b>No debit or credit</b>
Buildings accumulated depreciation	<b>Credit</b>
Plant accumulated depreciation	<b>Credit</b>
Buildings depreciation charge	<b>37 thousand</b>
Plant depreciation charge	<b>22 thousand</b>

**Task 4 (1.5 marks)**

Cost of sales	<b>1225 thousand</b>
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**Task 5 (1.5 marks)**

Debit	<b>Administrative expenses</b>
Credit	<b>Accrual</b>
Adjustment value	<b>10 thousand</b>