

ACCOUNTING Level 3

Common Assessment Task

Work Requirements:

This task requires an individual response by each learner.

Assessment Type:

Short response

Criteria being assessed:

- Criterion 1
- Criterion 6

Suggested conditions:

- This task should take 30 minutes maximum.

Task Description:

This task has 3 parts.

You should:

- spend 5 minutes reading the instructions
- select the questions you will answer
- spend 25 minutes answering the questions

What you need to do:

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Answer the questions in each of the 3 parts.

Part 1 – answer all questions.

Part 2 – answer one question

Part 3 – answer two questions.

Part 1 - answer **ALL** questions:

(4 x 3 = 12 marks)

- What is meant by the accounting process (cycle)? Identify TWO stages in this process.
- What is an expense? Illustrate with TWO examples of an expense.
- Explain the meaning of current asset. Give TWO examples of a current asset.
- What is a balance day adjustment? Give ONE example of a balance day adjustment.

Part 2 - answer **ONE** question:

(1 x 3 marks)

- (a) Explain why a business owner may choose to borrow rather than rely upon additional capital (equity) to fund a business expansion.
- (b) Explain the importance of the cash budget to the sound financial management of a business.

Part 3 - answer **TWO** questions:

(2 x 4 = 8 marks)

- (a) Using an example of each, distinguish between external users and internal users of accounting reports.
- (b) Using an example of each, describe the errors that will be disclosed by the trial balance process and those that will not be disclosed.
- (c) Distinguish between an accrued expense and a prepaid expense. Provide an example of each.
- (d) Using an example of each, explain the distinction between financial expenses and selling and distribution expenses.

(Source: Adapted from TASC external examination [ACC315116 Assessment Report 2020.pdf](#) (2021-01-18 10:31 am AEDT))

Teacher use only - What needs to be submitted for assessment?

Learners respond to the questions in a separate document, clearly identifying each part and question.