

Assessment Task – Tutorial Questions Assignment 1

Unit Code: HA2032

Unit Name: Corporate and Financial Accounting

Assignment: Tutorial Questions Assignment 1

Due: 11:30pm 15th May 2020

Weighting: 25%

Total Assignment Marks: 50 Marks

Purpose: This assignment is designed to assess your level of knowledge of the key topics covered in this unit

Unit Learning Outcomes Assessed:

1. Demonstrate an understanding of the role of the Corporations Act, sources of authority, and accounting standards in the governance of companies and requirements for financial reporting;
2. Explain the various methods available to companies in their resource expansion and the impact of each on the accounting records and financial statements;
3. Critically analyse and interpret the financial statements and other disclosures produced by Australian companies and corporate groups;
4. Achieve a high level of competence in applying prescribed accounting techniques to the preparation of the consolidated financial statements of Australian companies and corporate groups;
5. Appreciate the role of each of the types of external administration and how each method is applied.

Description: Each week students were provided with three tutorial questions of varying degrees of difficulty. These tutorial questions are available in the Tutorial Folder for each week on Blackboard. The Interactive Tutorials are designed to assist students with the process, skills and knowledge to answer the provided tutorial questions. Your task is to answer a selection of tutorial questions from weeks 1 to 5 inclusive and submit these answers in a single document.

The questions to be answered are:

Week 1 Question (10 marks)

Discuss the **advantages** of listing a corporation on the stock exchange, such as the ASX?
(10 marks)

Week 2 Question (10 marks)

The following data relates to ABC Ltd:

- Profit for the year ended 30 June 20X1, \$500,000.
- On 31 March 20X1, the directors decided to pay an interim cash dividend of \$100,000.
- On 7 April 20X1, the interim dividend was paid.
- For final dividends, the company's constitution provides that the directors can recommend a dividend to be subsequently declared by a resolution of the members in a general meeting.
- The directors recommended a final dividend of \$250,000 to be paid.
- The shareholders accepted the final dividend at the annual general meeting, and payment was made on 14 September 20X1.

Required:

- (a) Prepare journal entries to record the above dividend payments. (6 marks)
- (b) Prepare the retained profits general ledger account. (4 marks)

Week 3 Question (10 marks)

Adelaide Briton Ltd issued a prospectus on 1 June 20X1 inviting applicants for 3,000 debentures of face amount \$2,000, payable in full on application. Terms were 12% p.a. interest, payable annually, with a maturity date of 30 June 20X4. Exactly the right amount of applications were received by 30 June 20X1.

Required:

- a) Prepare general journal entries to record the issue of debentures. (3 marks)
- b) Prepare general journal entries to record the payments of interest and the repayment of principal. (3 marks)
- c) Prepare ledger entries to record (a) and (b) above. (4 marks)

Week 4 Question (10 marks)

Explain and discuss the importance and the role of the **related notes** to the financial statements included in a financial statements. (10 marks)

Week 5 Question (10 marks)

Swan River Ltd purchased a parcel of assets and liabilities comprising a business directly from Lyneham Pty Ltd. The parcel, measured at net fair values, consisted of:

Balance of Accounts:

Plant	50,000
Land	80,000
Vehicles	40,000
Accounts receivable	10,000
Accounts payable	(16,000)
Total	<u>164,000</u>

Required:

Prepare journal entries to record the acquisition by Swan River Ltd, assuming that:

- The cost of acquisition was \$200,000 cash. (4 marks)
- The cost of acquisition was \$144,000 cash. (6 marks)

Submission Directions:

The assignment has to be submitted via Blackboard. Each student will be permitted one submission to Blackboard only. **Each student needs to ensure that the document submitted is the correct one.**

Academic Integrity

Academic honesty is highly valued at Holmes Institute. Students must always submit work that represents their original words or ideas. If any words or ideas used in a class posting or assignment submission do not represent the student's original words or ideas, the student must cite all relevant sources and make clear the extent to which such sources were used. Written assignments that include material similar to course reading materials or other sources should include a citation including source, author, and page number.

In addition, written assignments that are similar or identical to those of another student in the class is also a violation of the Holmes Institute's Academic Conduct and Integrity Policy. The consequence for a violation of this policy can incur a range of penalties varying from a 50% penalty through to suspension of enrolment. The penalty would be dependent on the extent of academic misconduct and the student's history of academic misconduct issues. All assessments will be automatically submitted to Safe-Assign to assess their originality.



Further Information:

For further information and additional learning resources, students should refer to their Discussion Board for the unit.