

College of Business and Economics

mail **School of Accounting and Business Information Systems**
 ANU College of Business and Economics
 Copland Building 24
 The Australian National University ACT 0200 Australia

tel **School Office**
(02) 6125 7968

College Reception
 International: +61 2 6125 3807
 Local: 1300 732 120 (local call cost only)

email info.cbe@anu.edu.au

office Room 1120
 Level 1, Copland Building 24
[refer to the ANU Campus Map \(map F2, building 24\)](#)

fax **School Office**
(02) 6125 4310

College Reception
 International: +61 2 6125 0744
 Local: (02) 6125 0744

Course Outline

BUSN1002: Accounting Processes and Systems

Semester 2, 2009

STUDENTS: Course details change from semester to semester. **Please check** that you are reading the correct Course Outline.

Course description

The course extends the material in Business Reporting and Analysis. It provides detailed understanding of the technical aspects and concepts used in producing financial and management accounting reports. This includes cost assignment methods, the application of accounting principles and double-entry accounting systems for recording and reporting financial transactions. Topics include: using journals and ledgers; application of accrual accounting; methods of income measurement and asset valuation; accounting for assets and liabilities; applying the principles of internal control; and an introduction to accounting for partnerships and companies.

Contacts

	Office address	Email	Telephone	Consultation times
Course convener and lecturer (Course Authority) Seng Thiam Teh	Rm 2020 PAP Moran	seng.teh@anu.edu.au	6125 3316	To be advised
Tutor/s Ava Wu John Zhang	Rm 2051 PAP Moran Rm 1056 PAP Moran	ava.wu@anu.edu.au john.zhang@anu.edu.au	6125 6315 6125 4868	To be advised To be advised
School Student Administrators Julia Woodruff Nathan Daley	Room 2037 Bldg 21Hanna Neumann	enquiries.abis@anu.edu.au	6125 0025 6125 7968	9am – 5pm Monday - Friday

This document first prepared July 2009 for use in Semester 2, 2009.

Communication with students

Email If necessary, the lecturers and tutors for this course will contact students electronically using their official ANU student email address or WebCT

Announcements Students are expected to check WebCT for announcements about this course, e.g. changes to timetables or notifications of cancellations. This includes the discussion forums and email facilities in WebCT. Notifications of emergency cancellations of lectures or tutorials will be posted also on the door to the relevant room.

Course information

Suggested study schedule

Week beginning	Topics	Readings (Textbook)	Self-Study Questions (Textbook)	Tutorial Questions (Textbook)
20 Jul	Course Introduction Accounting & The Business Environment	Chapters 1 & 7	Ch. 1: S1-1, S1-2, S1-3, S1-6, E1-5, E1-14, P1-6	No tutorials this week
27 Jul	Recording Business Transactions	Chapter 2	Ch. 2: S2-5, S2-9, S2-12, E2-5, E2-11	Ch. 1: DC2, Ethical Issue 2
3 Aug	Profit Measurement and The Accounting Cycle	Chapters 3 & 4	Ch. 3: S3-1, S3-5, P3-5 Ch. 4: E4-10, P4-2	Ch. 2: P2-6, P2-7 Additional Question - Appendix 1 in Course Outline
10 Aug	Retail Operations Inventory	Chapter 5 Chapter 6 Chapter 8	Ch. 5: S5-5, S5-13, E5-14 P5-3 Ch. 6: S6-7, S6-9, E6-10 Ch. 8: S8-12, E8-5, E8-9, P8-2, P8-5	Additional Question - Appendix 2 in Course Outline Ch. 4: P4-7, DC2
17 Aug	Accounting for Manufacturing Companies: Cost Concepts and Job Costing	Chapter 20 pp. 778-791 Chapter 21	Ch. 20: S20-6, E20-5, E20-6 Ch. 21: S21-4, E21-5, E21-7	Ch. 5: P5-2, E5-14 Ch. 6: P6-4, Ethical Issue
24 Aug	Receivables & Payables	Chapter 10 Chapter 12 pp. 466-474	Ch. 10: S10-3, S10-6, E10-13 Ch. 12: S12-3, E12-4	Ch. 20: DC1 Ch. 21: P21-5, P21-6
31 Aug	Internal Control and Managing Cash	Chapter 9	Ch. 9: S9-6, S9-7, S9-11, E9-6, E9-7	Ch. 10: P10-2, P10-3, DC2 Ch. 12: P12-1
7 Sep	Mid-semester Exam (No Lecture and Tutorials)			
14 Sep	Non-current Assets	Chapter 11	Ch. 11: S11-4, S11-6, S11-7, E11-8, E11-11	Ch. 9: E9-10, P9-3, DC1, DC2
21 Sep	Accounting for Partnerships	Chapter 13	Ch. 13: E13-2, E13-3, E13-9	Ch. 11: P11-2, P11-4, P11-5
Mid-Semester Break				
12 Oct	Accounting for Companies	Chapter 14 pp. 536-553 Chapter 15	Ch. 14: E14-3, E14-4, E14-8 Ch. 15: S15-5, S15-6, E15-1	Ch. 13: P13-2, P13-3, P13-4, E13-9
19 Oct	Accounting for Companies Financial Statement Analysis	Chapter 16 pp. 600-611 Chapter 19	Ch. 16: S16-8, S16-11 Ch. 19: E19-6, E19-8	Ch. 14: P14-2, DC1, Ethical Issue Ch. 15: E15-2, P15-2
26 Oct	Course Review			Ch. 16: P16-4 Ch. 19: P19-2, P19-4

Legend: S = Starters; E = Exercises; P = Problems; DC = Decision Case

Tutorial registration

Enrolment in tutorials will be completed *online* using the Electronic Teaching Assistant (ETA). To enroll, follow these instructions:

1. Go to <http://eta.fec.anu.edu.au>.
2. You will see the Student Login page. To log into the system, enter your university ID (your student number) and password (your ISIS password) in the appropriate fields and hit the **Login** button.
3. Read any news items or announcements.
4. Select "Sign Up!" from the left navigation bar.
5. Select your course/s from the list. To select multiple courses, hold down the control key (**Ctrl** on PCs) or the **⌘** key (Macs) while selecting courses with the mouse. Once courses are selected, hit the **SUBMIT** button.
6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.
7. For security purposes, please ensure that you click on the **LOGOUT** link on the confirmation page, or close the browser window when you have finished your selections.
8. If you are experiencing any difficulties, please contact the School office (see page 1 for contact details).

Course URLs

More information about this course may be found on

- Study@ANU
- WebCT, the University's Learning Management System at <http://webct.anu.edu.au>

Learning outcomes

After studying this course, you are expected to have attained proficiency in the following areas:

- *Understand the assumptions underlying accounting information;*
- *Understand and apply accounting principles for recording and preparing accounting information;*
- *Apply the principles of internal control;*
- *Assign costs to production;*
- *Account for capital contributions and profit distributions for partnerships and companies;*
- *Develop or improve skills for working effectively in a team, including negotiating and setting goals, meeting deadlines and giving and receiving feedback;*
- *Able to utilise a computerised accounting package to set up the accounts and complete the accounting cycle of a small business;*
- *The use self and peer evaluation to evaluate and improve the quality of your performance; and*
- *Develop or improve a range of generic/soft skills essential for commerce graduates.*

Assessment overview

Assessment item	Description	Date	Weighting (%)
Assignment	See Assignment handout available via WebCT	See Assignment handout available via WebCT	30
Mid-semester Examination	Coverage: Topics covered in Weeks 1 to 6, inclusive	Week 8	20
Final Examination	Coverage: All topics covered during semester	Semester 2 Examination period	50
TOTAL			100

Relationship between learning outcomes and assessment		How well have you achieved the learning outcomes for this course? This table shows you how each assignment will check your achievements against the stated learning outcomes for the course.		
	Course Learning Outcomes	Assignment	Mid-Semester examination	Final Examination
	After studying this course, you are expected to have attained proficiency in the following areas:			
	<ul style="list-style-type: none"> • <i>Understand the assumptions underlying accounting information</i> 	√	√	√
	<ul style="list-style-type: none"> • <i>Understand and apply accounting principles for recording and preparing accounting information</i> 	√	√	√
	<ul style="list-style-type: none"> • <i>Apply the principles of internal control</i> 	√	√	√
	<ul style="list-style-type: none"> • <i>Assign costs to production</i> 		√	√
	<ul style="list-style-type: none"> • <i>Account for capital contributions and profit distributions for partnerships and companies</i> 		√	√
	<ul style="list-style-type: none"> • <i>Able to utilise a computerised accounting package to set up the accounts and complete the accounting cycle of a small business</i> 	√		
<ul style="list-style-type: none"> • <i>Develop or improve a range of generic/soft skills essential for commerce graduates</i> 	√	√	√	

Assignment details and information about marking

See Assignment handout available via WebCT

Assignment submission**Details of the assignment will be provided within the first few weeks of lectures.**

- ALL assignments are to be submitted in the slot under the counter of the ABIS office by 4pm on the due date. Do not hand your assignment to your tutor or the lecturer, assignments delivered in this manner may be deemed non-submissions. All assignments for ABIS courses go in the same slot. All assignments are cleared, sorted and date-stamped at 4pm daily.
- Non-submission of an assignment will preclude you from qualifying for a supplemental or further examination.
- Late assignments are to be placed in the assignment submission box with a note on the cover sheet to stipulate the due date and actual date of submission.
- Late assignments will attract the following penalties:

<u>Lateness</u>	<u>Penalty</u>
1 day	20% of awarded mark
2 days	30% of awarded mark
3 days	50% of awarded mark
4 days or more	No marks will be awarded

Requests for Extensions

All requests for assignment extensions must be made in advance of the due date to the course coordinator. Late assignments will not be accepted without valid reasons. For example, a medical certificate is required for illness. Having other competing assignments due on the same day is not a valid reason. Non-submission of a compulsory assignment will preclude students from qualifying for a supplemental or further examination.

Assignment Presentation

- Assignments are to be word-processed. The use of strict, professional expression is expected.
- Assignments are to be submitted with the appropriate ABIS Assessment Cover Sheet attached to the front page (available from school office or course website).
- Assignments should not be submitted in plastic cover sheets/folders. Discs are best attached using a foldback clip (also available at school office).

Return of Assignments

During teaching periods assignments will be handed back in tutorials. At the end of semester students should follow the tutor's instructions regarding where to collect assignments from. After this Assignments will be available for collection in the exam viewing sessions for final exams of the same semester. Please note that after this assignments will be securely destroyed by the school office.

Retention of Assignments

Students should keep a hard copy of assignments and related documents which are to be made accessible to Course Coordinators if required. Students should also keep returned marked assignments until final results for the semester are posted. Queries concerning the awarded mark can only be resolved with the original assignment.

Information about examinations**Mid Semester Examination**

In Week 8, topics covered from Weeks 1 to 6 (inclusive) will be examined. This examination is closed book. Date, time and venue will be confirmed.

You will be advised of the examination time on the course website, in lectures and on the notice board outside the ABIS Office.

Final Examination

Permitted materials for the final examination:

- Translation dictionaries with signed permission forms. Permission forms for English/foreign language dictionaries are available from the course website or the ABIS School Office foyer. Electronic dictionaries are not allowed.
- If Multiple Choice Answer Sheets are to be used you will require a lead pencil (preferably 2B). An eraser and sharpener are also useful when using these sheets.

Dates for Examinations

The 2009 Semester 2 Examination Period commences on the 5th November and continues through to Saturday 21st November (inclusive of these dates). Students are required to make themselves available during this entire period for further examination as needed.

The ABIS 2009 Semester 2 Supplementary Examinations will be held in the first week of 2010 Semester 1 or where practicable at the end of the examination period 2009. Students eligible for a supplementary exam will be graded with a PX and must write (email is preferred) to the school office to accept the offer to sit the supplementary examination within 7 days of the release of results. No letter of offer is sent by the school.

ABIS Semester 2 Special Examinations are **not** necessarily scheduled at the same time as supplementary examinations. Eligible special examination candidates will be required to sit for the examination as soon as practicable. Special examination candidates must make themselves available on the date their special examination is scheduled.

Workload

Students taking this course are expected to commit at least 10 hours a week to completing the work.

This will include:

- 2 hours a week: lecture
- 1 hours a week: tutorial
- 7 hours a week: reading, research, self-study, tutorial preparation, writing and assignment preparation, working on WebCT site (including discussions and online learning as applicable)

Course delivery

Lecture: Day and Time: Monday - 2.00 p.m. to 4.00 p.m.
Location: MCC T1

Prescribed texts

Horngren, C., Harrison, W., Bamber, L., Best, P., Fraser, D. & Willet, R. (2007). *Accounting*. (5th Ed.). Frenchs Forest: Pearson Education.

Teh, S. T. & Tan, R. C. W. (2009). *Epacris Garden Design: A Combined Manual and MYOB Accounting Plus v18 Practice Set*, Frenchs Forest: Pearson Education Australia

Recommended readings and other references**Text references**

- Cielens, M. & Aquino, M. (2001). *The Business of Communicating*. (4th Ed.). Roseville: Irwin/McGraw-Hill.
- Cotesta, P. V., Crosling, G. M. & Murphy, H. M. (1998). *Writing for Accounting Students*. Sydney: Butterworths.
- Dwyer, J. (2003). *The Business Communication Handbook* (6th Ed.). Frenchs Forest: Prentice Hall.
- Dwyer, J. (2005). *Communication in Business: Strategies and Skills* (3rd Ed.). Frenchs Forest: Pearson/Prentice Hall.
- Eunson, B. (2005). *Communicating in the 21st Century*. Brisbane: John Wiley & Sons.
- Eunson, B. (2007). *Business Writing*. Brisbane: John Wiley & Sons.
- Hoggett, J., Edwards, L. & Medlin, J. (2006). *Accounting in Australia*. (6th Ed.). Milton: John Wiley & Sons.
- Kimmel, P., Carlon, S., Loftus, J., Madenovic, R., Kieso, D. & Weygandt, J. (2006). *Accounting: Building Business Skills*. (2nd Ed.) Milton: John Wiley & Sons.
- Lahiff, J. M. & Penrose, J. M. (1997). *Business Communication: Strategies and Skills*. (5th Ed.). Sydney: Prentice Hall.
- Manalo, E., Wong-Toi, G. & Trafford, J. (2009). *The Business of Writing: Written Communication Skills for Business Students*. (3rd Ed.) Melbourne: Pearson.
- May, C. B. & May, G. S. (2003). *Effective Writing: A Handbook for Accountants* (6th Ed.). Englewood Cliffs: Prentice Hall.
- Trotman, K. & Gibbins, M. (2003). *Financial Accounting: An Integrated Approach*. (2nd Ed.). South Bank: Thomson.
- Windschuttle, K. & Elliot, E. (1999). *Writing, Researching, Communicating: Communication Skills for the Information Age* (3rd Ed.). Roseville: Irwin/McGraw-Hill.

Online references

- CPA Australia - www.cpaaustralia.com.au
- The Institute of Chartered Accountant in Australia (ICAA) - www.icaa.org.au
- The International Accounting Standards Board (IASB) - www.iasb.org
- The Australian Securities & Investments Commission - www.asic.gov.au
- Textbook Companion Website - <http://www.pearsoned.com.au/myaccountinglab>

Requisites, including assumed knowledge, required skills, and recommended courses

BUSN1001 *Business Reporting and Analysis* or COMM1010 *Financial Accounting Fundamentals*.

General information for all students

Enrolment details

For assistance with program and course selection, enrolment, change of program, variation to enrolment, status and other general matters, contact either the College Office or the Student Office in the Sir Roland Wilson Building (MBA and graduate Management programs only).

College Office

location: 1st floor of the Copland Building (room 1120)
phone: (61) 02 6125 3807
email: info.cbe@anu.edu.au
web: <http://www.cbe.anu.edu.au/>

Student Office, Sir Roland Wilson Building

(for students enrolled in the Master of Business Administration, the Master of Management and the Graduate Certificate in Management only)

location: Sir Roland Wilson Building (No.120) room 2.07
phone (61) 02 6125 9830
email: info.cbe@anu.edu.au

Main administrative dates

The main administrative dates regarding teaching sessions, course census dates, examination periods, and graduation and enrolment variations (i.e. deadlines for adding and dropping courses) are available from the ANU SEAP Guide 2009 <http://www.anu.edu.au/sas/SEAP_guide/>.

Associate Dean (Education)

Associate Professor Alex Clarke is the Deputy Dean/Associate Dean (Education) for the College.

ANU Student Support

The Academic Skills and Learning Centre <<http://www.anu.edu.au/academicsskills/>>, in the Pauline Griffin Building, offers services to students regarding a range of academic issues including essay writing, note-taking, referencing, reading, examination preparation, and plagiarism.

ANU College <<http://www.anucollege.com.au/>> offers introductory and extended programs in maths bridging courses and English language support for students from non-English-speaking backgrounds.

The Information Literacy Program <<http://ilp.anu.edu.au/index.html>> offers workshops to undergraduate and graduate students to develop skills in handling information and communication technologies.

Policies, Procedures and Rules

Information about University policies, procedures and rules is provided in a number of places on the ANU website. These websites provide information on the Code of Practice for Student Academic Honesty, Assessment Arrangements for Students from Language Backgrounds Other Than English, Academic Progress Rules and Procedures, Special examinations/consideration, Supplementary examinations, and Review of assessment procedures.

1. Student Enrolment and Administrative Procedures Guide (SEAP)
<http://www.anu.edu.au/sas/SEAP_guide/>

2. ANU Undergraduate Handbook information available on Study@ANU <<http://info.anu.edu.au/studyat/>>
3. ANU Rules <<http://www.anu.edu.au/cabs/rules/>>
4. Graduate Research website <<http://rss.anu.edu.au/default.asp?ref=16>>
5. Information for students in the College of Business and Economics <http://cbe.anu.edu.au/Current_Students/general_info/>

Information about examinations

Special Examinations

You must contact the College Office for guidance on the procedure for special examinations. Do not approach your lecturer for this information. Students who are unable to attend an examination for reasons outlined in the policies above may apply to sit a special examination by lodging an application with the College Student Administration Office no later than 3 working days after the scheduled examination. It is important to emphasise that travel arrangements are not normally acceptable grounds for special examinations. The granting of a request for special examination is not automatic and is at the discretion of the College. Supporting documentation from any relevant independent person (or authority) including health professionals and/or ANU Disability Advisers must accompany the completed form. If the relevant Delegated Authority then approves a Special Examination, you will be notified in writing. It is the responsibility of the student to confirm with the relevant Delegated Authority whether or not a Special Examination has been granted. After receiving notification that a Special Examination has been granted, it is the responsibility of the student to confirm the date/time/locations for that examination with the relevant School Office.

For more detailed information, go to <http://www.cbe.anu.edu.au/Current_Students/general_info/specexam.asp>.

Special Consideration

Special Consideration is the process by which a marker takes your extenuating circumstances into consideration during the marking of an examination or other assessment item.

Requests for Special Consideration will not normally be considered if the application form is not lodged by the due date and/or does not include full original documentation. Supporting documentation from any relevant independent person (or authority) including health professionals and/or ANU Disability Advisers must accompany the completed form. Where relevant, a medical certificate is only valid if it attests to your illness at the time claimed. It is therefore important that you see a doctor when you are ill, not after recovery. Wherever possible a request for special consideration (consideration whilst marking the examination paper) should be submitted before the scheduled date of the examination. If you are ill during an examination you should notify the invigilator at once and report to a medical practitioner as soon as possible.

For more detailed information, go to <<http://www.anu.edu.au/sas/seap/examinationsandassessment/5.7.php>>.

Special Examination Arrangements

The University will endeavour to accommodate the special needs of students with a permanent or temporary disability. In such instances students should notify the Disability Services Centre (DSC) or the Examinations and Graduations Office well in advance of requiring alternative assessment arrangements. All requests for Special Examination Arrangements will require DSC or college approval.

For more information, go to <<http://www.anu.edu.au/sas/seap/examinationsandassessment/5.9.php>>.

Disabilities

If you have any queries about special arrangements with respect to disabilities and examinations, please refer to the Disabilities Services Centre <<http://www.anu.edu.au/disabilities/>>.

Supplementary Examinations

A course grade of PX indicates you are eligible to sit a supplementary examination. You must apply in writing within 7 working days from the date of release of the result unless otherwise advised by your college. The application to sit a supplementary examination must be lodged with the relevant Course Authority.

If you pass the supplementary examination you will receive the grade of PS (pass supplemental) and a mark of 50. If you are unsuccessful, or you decide not to sit the supplementary examination, your grade will be recorded as N (fail) and your original mark will stand.

Supplementary examinations will be held early in the next semester on dates to be advised. For information regarding the timing and venues for Supplementary examinations please refer to the School websites in the second week of the current semester:

ABIS: <http://www.cbe.anu.edu.au/schools/abis/>

ECONOMICS: <http://www.cbe.anu.edu.au/schools/eco/>

FAS: <http://www.cbe.anu.edu.au/schools/fas/>

MMIB: <http://www.cbe.anu.edu.au/schools/mmib/>

Results and Examinations

In accordance with the University Assessment Grades/Codes, the College applies the following scale when awarding grades:

Final pass grades		
HD	High Distinction	80—100 %
D	Distinction	70—79 %
CR	Credit	60—69 %
P	Pass	50—59 %
PS	Pass at supplementary examination	50 %
Final fail grades		
N	Fail	0—49 %
NCN	Not completed / Fail	Not graded
WN	Withdrawn with failure	Not graded
Interim codes		
DA	Deferred assessment	N/A
PX	Offered supplementary assessment	N/A
RP	Result pending	N/A
WA	Grade withheld for administrative reasons	N/A

Scaling

Scaling can increase or decrease a mark but does not change the order of marks relative to the other students in the course. If it is decided that scaling is appropriate, then the final mark awarded in a course may differ from the aggregation of the raw marks of each assessment component.

Results Notification

To access results students should check their ISIS accounts on the advertised date for release of examination results. After publication students enquiring about results must provide an ANU student card as proof of identification. For privacy reasons students should not make enquiries regarding the results of other students.

Examination Timetable: Final Examination Period

Details of the final examination timetable are available on the ANU Timetabling website <http://timetable.anu.edu.au/default.asp>. Students are expected to check the time of examinations themselves.

Examination Timetable: Mid-Semester Examinations

When a mid-semester exam is scheduled, timetable information will be posted by the relevant School.

Academic Misconduct

Misconduct in the preparation and submission of written work and/or examinations for assessment will have serious consequences for a student. Consequences include failure of the course, receipt of a mark penalty or in some circumstances disciplinary proceedings and exclusion.

The University's Discipline Rules apply to all students, undergraduate and graduate, and define misconduct in relation to an examination as including but not limited to:

- cheating
- plagiarism
- except with the approval of the Delegated Authority, submitting for an examination any work previously submitted for examination
- failing to comply with the University's instructions to students at, or in relation to, an examination
- acting, or assisting another person to act, dishonestly in or in connection with an examination
- taking a prohibited document into an examination venue

For further information on Academic Misconduct, go to <http://www.anu.edu.au/sas/seap/examinationsandassessment/5.12.php>.

Appendix 1

Week 3 - Additional Question

Question 3.1 *Recording transactions*

This is the first exercise in a sequence of two that begins an accounting cycle. The cycle is completed in E5-14 (tutorial of Week 5).

Megan Walker completed these transactions during the month of December:

- Dec. 2 Invested \$14 000 to start a consulting practice titled 'Megan Walker, Consultant'.
- 2 Paid monthly office rent, \$500.
- 3 Paid cash for a Dell computer, \$2 000. The computer is expected to remain in service for five years.
- 4 Purchased office furniture on credit, \$3 600. The furniture should last for five years.
- 5 Purchased supplies on credit, \$300.
- 9 Performed consulting service for a client on credit, \$1 700.
- 12 Paid electricity and gas expenses, \$200.
- 18 Performed service for a client and received cash for the full amount of \$800.
- 21 Received \$900 in advance for client service to be performed evenly over the next 30 days.
- 21 Hired a secretary to be paid \$1 500 on the 20th day of each month. The secretary begins work immediately.
- 26 Paid \$300 on account.
- 28 Collected \$600 on account.
- 30 Withdrew \$1 600 for personal use.

Required

1. Open T-accounts in the ledger: Cash at Bank; Accounts Receivable; Supplies; Equipment; Furniture; Accounts Payable; Megan Walker, Capital; Megan Walker, Drawings; Service Revenue; Rent Expense; Electricity and Gas Expense; Salary Expense; Accumulated Depreciation—Equipment; Accumulated Depreciation—Furniture; Salary Payable; Unearned Service Revenue; Depreciation Expense—Equipment; Depreciation Expense—Furniture; and Supplies Expense.
2. Journalise the transactions. Explanations aren't required.
3. Post to the T-accounts. Key all items by date, and denote an account balance as Bal. Formal posting references are not required.

(Adapted from E2-17 and E3-15, Horngren, et al., Accounting, 5th Edition)

Appendix 2

Week 4 - Additional Question

Question 4.1 *Preparing a trial balance, adjusting the accounts, preparing an adjusted trial balance, closing the books and preparing the financial statements*

You will need your solution to Question 3.1, the additional question for Week 3. Start from the posted T-accounts that Megan Walker, Consultant, prepared for her business previously.

Required

1. Prepare a trial balance as at 31 December. Also set up columns for the adjustments and for the adjusted trial balance, as illustrated in Exhibit 3-7.
2. At 31 December, Walker gathers the following information for the adjusting entries:
 - a. Accrued service revenue, \$400.
 - b. Earned a portion of the service revenue collected in advance on 21 December.
 - c. Supplies on hand, \$100.
 - d. Depreciation expense—equipment, \$50; furniture, \$60.
 - e. Accrued expense for secretary's salary—10 days worked.

Make these adjustments directly in the adjustments columns, and complete the adjusted trial balance as at 31 December. For simplicity, base your calculation of adjusting entries on 30-day months and 360-day years.

3. Journalise and post the adjusting entries. Denote each adjusting amount as Adj. and an account balance as Bal.
4. Journalise and post the closing entries at 31 December. Denote each closing amount as Clo. and an account balance as Bal.
5. Prepare the income statement and the statement of changes in equity of Megan Walker, Consultant, for the month ended 31 December, and prepare the classified balance sheet at that date. Draw arrows linking the statements.

(Adapted from E3-15 and E4-13, Horngren, et al., Accounting, 5th Edition)