**Tauira Name:**

**Module 5: Introduction to Small Business Accounting**

**Assessment 2: Bookkeeping Case Study**

**Assessment Handout and Marking Schedule**

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### **Assessment 2: Bookkeeping Case Study**

# Learning Outcomes Assessed

1. Complete a cashbook.
2. Complete a bank reconciliation.
3. Prepare a basic GST return.

# Instructions

You are required to prepare a cashbook, bank reconciliation and basic GST return for a case study business, Kakahu Limited. Details of transactions are provided on the following page along with additional information. Templates that you can use to complete this assessment are provided within this handout.

The cashbook will include both a Cash Receipts Journal and a Cash Payments Journal. After completing the cashbook, the bank reconciliation must be completed. Information should be entered into each of the highlighted boxes on the bank reconciliation template.

Finally, after completing both the cashbook and the bank reconciliation, a basic GST return is to be completed. You are only required to enter information into the boxes indicated below and are then required to identify if there is GST to pay or if a GST refund applies. The boxes to complete include:

* Box 5 (Total Sales and Income. This is equal to Box 8 multiplied by 3, then divided by 23).
* Box 7 (Equal to Box 5 minus Box 6).
* Box 8 (GST information taken from Cash Receipts Journal and Bank Reconciliation).
* Box 10 (Equal to Box 8 plus Box 9).
* Box 11 (Total Purchases and Expenses. This is equal to Box 12 multiplied by 3, then divided by 23).
* Box 12: (GST information taken from the Cash Payments Journal).
* Box 14: (Equal to Box 12 + Box 13).
* Box 15: (Equal to the difference between Box 10 and Box 14).

**Case Study Information: Kakahu Limited**

Ngahuia owns and manages Kakahu Ltd which sells Maori designed homeware. She has an assistant who works full time. Kakahu Limited is registered for GST (on the payments basis) and leases a shop. The company owns a vehicle and some office equipment, including two computers.

For the month of August 2013 the following financial transactions occurred for Kakahu Limited:

1. 2 August: made a cash sale to customer of $126.00 and Ngahuia gave the customer receipt number 123.
2. 5 August: paid wages of $625.00 by direct debit.
3. 7 August: direct debit to Western Properties Ltd of $562.50 for the lease of the shop.
4. 10 August: Kakahu Limited received a Business Enterprise Grant of $2,500.00. The remittance advice had the reference R4585.
5. 11 August: made a cash sale, receipt number 124, of $590.00.
6. 15 August: Ngahuia purchased petrol from BK Motors for $43.29 with cheque number 105.
7. 19 August paid wages by direct debit $625.00.
8. The following payments were made on the 20th August:
   1. Cheque no. 108 to Whitcoulls for stationery $115.20 inc GST.
   2. Cheque no. 106 to IT Limited for computer repairs $127.80 inc GST.
   3. Cheque no. 109 to Local News for advertising of $75.06 inc GST.
   4. Cheque no. 107 to Power Limited for electricity of $316.35 inc GST.
9. On the 21 August, a customer called J Smith paid her account of $369.90 and was provided receipt number 125.
10. On the 29 August, Ngahuia sold a computer that belonged to Kakahu Limited for $200. Receipt number 126.

**Additional Information**

* On the 31 July 2013, the bank balance in the accounts was $269.00.
* The bank statement balance on the 31 August 2013 was $1,607.70.
* Cheques 106 and 108 had not been banked as at the end of the month.
* The Business Grant was paid inclusive of GST.
* The payment for the lease includes GST.
* Ngahuia banked the cheque she received for the computer on the following Monday (1 September).

**Kakahu Limited**

**Cash Receipts Journal – August2013**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Reference** | **Total($)** | **GST**  **($)** | **GST Exclusive ($)** | **Cash Sales**  **($)** |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |
|  | **Total Receipts** | |  |  |  |  |  |  |  |

**Kakahu Limited**

**Cash Payments Journal – August2013**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Cheque / Reference** | **Total**  **($)** | **GST**  **($)** | **GST Exclusive**  **($)** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  | **Total Payments** | |  |  |  |  |  |  |  |  |  |  |

*Bank Reconciliation Template*

|  |  |  |
| --- | --- | --- |
| Kakahu Limited |  | **August-13** |
| **Bank Reconciliation** |  |  |
|  |  |  |
| **Opening Cashbook Balance** |  | \* |
|  |  |  |
| *Add Deposits* |  | \* |
|  |  |  |
| *Less Withdrawals* |  | \* |
|  |  |  |
|  |  |  |
| **Closing Cash Book Balance** |  | \* |
|  |  |  |
| *Add Unpresented Cheques* |  |  |
| \* |  | \* |
| \* |  | \* |
|  |  |  |
|  |  |  |
| Less Deposits made after final date of Statement |  | \* |
|  |  |  |
|  |  |  |
| **Reconciled Bank Statement Balance** |  | \* |
|  |  |  |
| ***Bank Statement Balance*** |  | \* |
|  |  |  |

Inland Revenue GST 101A

*TeTariTaake October 2010*

Goods and services tax return

**Please use the GST guide (IR 375) to help you complete this return, or phone us on 0800 377 776.**

|  |  |  |
| --- | --- | --- |
| 59 | 571 | 07X |

Please print your full name Registration Number 1 ►

Kakahu Limited

PP Period covered by the return

|  |
| --- |
| 1/8/13 |

|  |
| --- |
| 31 August 13 |

From 2 ► to

PO Box 331385

Granity

Postal address for GST 3►

|  |  |
| --- | --- |
| 03 | 912 5585 |

Daytime phone number4 ►

Area Code Telephone number

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goods and services  tax on your sales and  income | **Total sales and income** for the period (including GST and any zero-rated supplies)  Zero-rated supplies included in Box 5  Subtract Box 6 from Box 5 | |  |  |  | | --- | --- | --- | |  |  |  |   5►$   |  |  |  | | --- | --- | --- | |  |  |  |   6►$   |  |  |  | | --- | --- | --- | |  |  |  |   7►$ |
|  | **Multiply the amount in Box 7 by three (3); then divide by twenty three (23)**  Adjustments from your calculation sheet | |  |  |  | | --- | --- | --- | |  |  |  |   8►$   |  |  |  | | --- | --- | --- | |  |  |  |   9►$ |
|  | Add Boxes 8 and 9. This is your **total GST collected** on sales and income. | |  |  |  | | --- | --- | --- | |  |  |  |   10►$ |
| Goods and services tax  on your purchases and  expenses | **Total purchases and expenses** (including GST) for which tax invoicing requirements have been met, excluding any imported goods.  **Multiply the amount in Box 11 by three (3); then divide by twenty three (23)** | |  |  |  | | --- | --- | --- | |  |  |  |   11►$   |  |  |  | | --- | --- | --- | |  |  |  |   12►$ |
| Declaration  *I declare that the information given in this return is true and correct.* | Credit adjustments from your calculation sheet  Add Box 12 and Box 13. This is your **total GST credit** for purchases and expenses. | |  |  |  | | --- | --- | --- | |  |  |  |   13►$   |  |  |  | | --- | --- | --- | |  |  |  |   14►$ |
| Signature | **Print the difference between Box 10 and Box 14 here** | 15►$ |

If Box 14 is larger than Box 10 the difference is your GST refund (Tick one)

If Box 10 is larger than Box 14 the difference is GST to pay Refund GST to pay

**Marking Schedule**

**Learning Outcome 2: Complete a Cashbook**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Work required from tauira** | | **Achieved/Yet to Achieve** |
| 1 | All transactions affecting the Cash Receipts Journal have been identified and included in the Cash Receipts Journal. | |  |
| 2 | The ‘Date’ column of the Cash Receipts Journal is fully complete, showing the day and month for every transaction. | |  |
| 3 | The ‘Particulars’ column of the Cash Receipts Journal is fully complete, showing correct information for each transaction. | |  |
| 4 | The ‘Reference’ column of the Cash Receipts Journal is fully complete with the correct reference shown for each transaction. | |  |
| 5 | The ‘Total’ column of the Cash Receipts Journal is correctly complete showing the full, GST inclusive, amounts of each transaction AND the total receipts during the month. | |  |
| 6 | The amount of GST included in each transaction in the Cash Receipts Journal has been correctly calculated given the figure entered in the ‘Total’ column and is rounded to the nearest cent (2dp). | |  |
| 7 | The GST exclusive amounts of each transaction in the Cash Receipts Journal have been correctly calculated given the figures entered into the ‘Total’ and ‘GST’ columns. | |  |
| 8 | The remaining three columns of the Cash Receipts Journal have been given appropriate headings. | |  |
| 9 | The GST exclusive amounts of each transaction in the Cash Receipts Journal have been included in the appropriate column (of the last four columns), depending on the headings given. | |  |
| 10 | Total Receipts in the Cash Receipts Journal have been correctly calculated for the GST column, the GST exclusive column and each of the last four columns. | |  |
| 11 | All transactions affecting the Cash Payments Journal have been identified and included in the Cash Payments Journal. | |  |
| 12 | The ‘Date’ column of the Cash Payments Journal is fully complete, showing the day and month for every transaction. | |  |
| 13 | The ‘Particulars’ column of the Cash Payments Journal is fully complete, showing correct information for each transaction. | |  |
| 14 | The ‘Cheque / Reference’ column of the Cash Payments Journal is fully complete, with the correct reference shown for each transaction. | |  |
| 15 | The ‘Total’ column of the Cash Payments Journal is correctly complete showing the full, GST inclusive, amounts of each transaction AND the total payments during the month. | |  |
| **Item No.** | | **Work required from tauira** | **Achieved/Yet to Achieve** |
| 16 | | The amount of GST included in each transaction in the Cash Payments Journal has been correctly calculated given the figure entered in the ‘Total’ column and has been rounded to the nearest cent (2dp). Those items that do not attract GST do not show a GST amount. |  |
| 17 | | The GST exclusive amounts of each transaction in the Cash Payments Journal have been correctly calculated given the figures entered into the ‘Total’ and ‘GST’ columns. |  |
| 18 | | The remaining seven columns of the Cash Payments Journal have been given appropriate headings. |  |
| 19 | | The GST exclusive amounts of each transaction in the Cash Payments Journal have been included in the appropriate column (of the last seven columns), depending on the headings given. |  |
| 20 | | Total Payments have been correctly calculated for the GST column, the GST exclusive column and each of the last seven columns. |  |

*To achieve this learning outcome, tauira must fulfill at least 16 of the 20 requirements outlined above.*

**Result:**

**Learning Outcome 2: Achieved / YTA**

*Complete a cashbook*

**Learning Outcome 3: Complete a Bank Reconciliation**

|  |  |  |
| --- | --- | --- |
| **Item No.** | **Work required from tauira** | **Achieved/Yet to Achieve** |
| 1 | The correct information from the cash book and the details provided in the case study is entered into each of the eleven boxes marked with an asterisk(\*) |  |

*To achieve this learning outcome, tauira must fulfill the requirement outlined above.*

*In addition, the figures entered into these boxes must be correct given the figures shown in the cash book. Therefore, if the incorrect figures were shown in the cash book, these same incorrect figures must be shown in the bank reconciliation. This means that if the cash book was incorrect, the bank reconciliation must not balance correctly.*

**Result:**

**Learning Outcome 3: Achieved / YTA**

*Complete a bank reconciliation*

**Learning Outcome 4: Prepare a Basic GST Return**

|  |  |  |
| --- | --- | --- |
| **Item No.** | **Work required from tauira** | **Achieved/Yet to Achieve** |
| 1 | Box 5 is correctly completed using information from the cashbook previously completed\* |  |
| 2 | Box 7 is correctly completed |  |
| 3 | Box 8 is correctly completed |  |
| 4 | Box 10 is correctly completed |  |
| 5 | Box 11 is correctly completed |  |
| 6 | Box 12 is correctly completed using information from the cashbook previously completed\* |  |
| 7 | Box 14 is correctly completed |  |
| 8 | Box 15 is correctly completed |  |
| 9 | It is correctly indicated whether the amount in Box 15 is a refund or GST to pay |  |
| 10 | Boxes 6, 9 and 13 do not have any figures included (or a zero amount is entered into these boxes) |  |

*To achieve this learning outcome, tauira must fulfill each of the ten requirements outlined above.*

*\* The figures entered into these boxes must be correct given the figures shown in the cashbook. Therefore, if the incorrect figures were shown in the cashbook, these same incorrect figures must be shown in the GST return.*

**Result:**

**Learning Outcome 4: Achieved / YTA**

*Prepare a Basic GST return*