



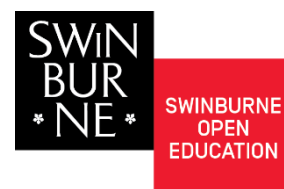
**FNSACC416**

Set up and operate a computerised accounting system.

## ASSESSOR GUIDE

Assessment 2 of 3

Project



## Introduction

This assessment assumes a simulated workplace – Ace Finance. Required workplace documents have been provided in hyperlinks under 'File Attached'. The assessment involves knowledge obtained in the learning platform, understanding workplace documents that have been provided, and additional research to be completed.

In this simulated workplace, you will assume the role of a trainee accountant. Andrew will be your manager and will provide you with the direction of the tasks in the form of an email.

As per Andrews instruction, you are required to engage with fictitious clients of Ace Finance. For this assessment, the client is Joe Reader from the company Smart Books.

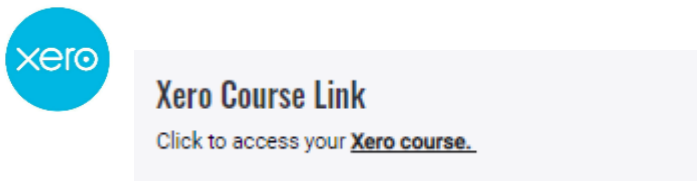
## Assessment Instructions

### Task overview

This assessment is divided into eight [8] tasks [Task 1 – Task 8].

Each task will provide instructions on where you are to provide your answer. These will include:

- The **templates** that have been provided. The templates are hyperlinked under each task email as "File Attached". Alternatively, these templates can also be located in the learning platform, under the module 4 Assessment 2 tab.
- **Xero**. The link to Smart Books data file is on your online platform under the module 4 Assessment 2 tab.



## Resources required for assessment

To complete the assessments students, need to have access to:

- A computer with Internet and email access and a working web browser
- Computer Software:
  - MS Word
  - Adobe Acrobat Reader
  - Xero Accounting Software

## Submission Requirements Checklist

To be eligible to be deemed competent in this assessment, you are required to submit the following documents. Do so by saving these to your computer and submitting and uploading your documents onto the LMS once you believe you have successfully completed all required tasks.

## **Important**

**Word documents will not be accepted. Please save any Word documents as PDF files before submitting.**

<b>Task 2 Requires:</b>	
<input type="checkbox"/>	Screenshot of Invite a user email pasted in the Task 2 response box.
<b>Task 3 Requires:</b>	
<input type="checkbox"/>	Screenshot of Financial Settings pasted in the Task 3 response box.
<b>Task 4 Requires:</b>	
<input type="checkbox"/>	Invoice Number Sequence research - Task 4 response box.
<input type="checkbox"/>	Screenshot of default settings pasted in the Task 4 response box.
<input type="checkbox"/>	Trial balance as at 31/05/2020 uploaded with assessment.
<b>Task 5 Requires:</b>	
<input type="checkbox"/>	Screenshot of Chart of Accounts pasted in the Task 5 response box
<b>Task 6 Requires:</b>	
<input type="checkbox"/>	Screenshot of the suppliers and customer contacts pasted in the Task 6 response box.
<input type="checkbox"/>	Screenshot of the contact and financial details for Big Press Distribution and Small Beginnings Pty Ltd pasted in the Task 6 response box.
<b>Task 7 Requires:</b>	
<input type="checkbox"/>	Pdf of inventory items uploaded with assessment.
<b>Task 8 Requires:</b>	
<input type="checkbox"/>	Screenshot of the fixed asset reconciliation report as at June 2020 pasted in the Task 8 response box.
<input type="checkbox"/>	Screenshot of the transaction for the Cannon printer pasted in the Task 8 response box.
Save all documents as PDFs in a folder on your computer with the naming convention:  <i>FNSACC416 - students name - Assessment 2</i> When you have completed your assessment, upload it into the platform where you downloaded this assessment from.	



## Assessment Information

### Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.



### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment (e.g. allowing additional time)
- the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)



However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Task 1



Email subject: Set Up Business Information

### **File Attached** Assessment 2 Task 1 – Smart Books Policies, Procedures and Operations

Hi there,

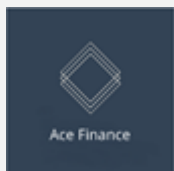
I need your help with a new engagement. The client is Smart Books. Joe Reader is the business owner, and we will be setting up and managing his accounting and bookkeeping. I have attached a copy of the Smart Books Policy, Procedures and Operations Manual, updated to reflect the transition to Xero. Please review this document to familiarise yourself with Smart Books bookkeeping practices.

Smart Books commenced operating three (3) years ago from a retail shop in Geebung QLD. To date, they have managed their accounts internally using a manual accounting system. We have been engaged to set up and convert their accounts to Xero.

Once you have familiarised yourself with Smart Books policies, procedures and operations, please set up a company file in Xero.

Joe has provided the following information.

<b>Business Name</b>	[Your name - Student #] - Smart Books
<b>Trading Name</b>	[Your name - Student #] - Smart Books
<b>Business Owner</b>	Joe Reader
<b>Organisation Type</b>	Pty Ltd Company
<b>Email Address</b>	accounts@smartbooks.com.au
<b>Phone Number</b>	07 3298 6272
<b>Website</b>	http://smart.books.com
<b>Industry Classification</b>	Retail
<b>Type of Business</b>	Bookstore
<b>ABN</b>	21 133 882 783
<b>Postal Address</b>	PO Box 298 Geebung Qld 4220
<b>Shop Address</b>	55 Brown Street Geebung Qld 4220
<b>Tax File Number</b>	111 111 111
<b>Conversation Date to Xero</b>	01/06/2020
<i>When you set up the Business Name, please include your name and student number, e.g., Clark Kent SN-123456 – Smart Books</i>	



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

## Task 1 Marking Guide

Evidence for Task 1 will be collected through the Xero reports students submit in Assessment 2, Tasks 4 and 7 and Assessment 3.

## Task 2



Email subject: Set Up User Access

Hi there,

I need you to research Multi Factor Authentication (MFA) in Xero. Once you have finished your research, set up the following users and permissions for Smart Books.

**User:** Joe Reader [accounts@smartbook.com.au](mailto:accounts@smartbook.com.au)

Permissions:

- Payroll admin
- Business and accounting standard (sales and purchases, reconcile and edit statement lines, add bank account details, view and run reports and edit settings)

**User:** Andrew Page [andrew@ace.finance](mailto:andrew@ace.finance)

Permissions: Full, including bulk reconciliation and statement line editing [cash coding].

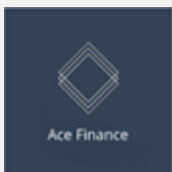
**User:** set yourself up as a user

Permission: Full

Send Joe Reader an invite with a personal message introducing yourself, explain:

- the access level he has been given in Xero
- how to set up multi-factor authentication in Xero [a link to instructions is sufficient]
- why multi-factor authentication is important.

Take a screenshot of your invite user email and paste it into the box below.



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

## Task 2 Marking Guide

Students must create an 'Invite a user' email from within Xero.

In the student's submission, they must:

- Introduce themselves.
- inform Joe he has been allocated the following permissions:
  - Payroll admin
  - Business and accounting standard (sales and purchases, reconcile and edit statement lines, add bank account details, view and run reports and edit settings)

Explain Multi-factor authentication and how to set it up. Providing a link to set up instructions is sufficient. Benchmark response is provided below.



## Task 2 Response

### Invite a user email

Joe Reader will need to accept an email invite from you to gain access to G Townsend - Smart Books Pty Ltd



#### Add a personal message to the invite

Hello Joe,

My name is [students name] from Ace Finance. I have been asked by Andrew, one of our Directors, to set you up as a user in Xero with the following permissions:

- Payroll admin
- Business and accounting standard (sales and purchases, reconcile and edit statement lines, add bank account details, view and run reports and edit settings)

Payroll administrators must use multi-factor authentication [MFA] when logging into Xero. MFA creates an extra layer of security by requiring you to enter a code that has been generated by the authentication app on your smartphone when you log in. More information on setting up MFA can be found in Xero Central.

<https://central.xero.com/s/article/Set-up-multi-factor-authentication>

If you have any questions about your access level or navigating your way around Xero, please don't hesitate to contact me.

Kind regards

Student Name

Ace Finance



[Back](#)

[Send invite](#)

## Task 3



*Email subject: Confirming Settings*

Hi there,

Joe Reader contacted me today and advised the missing information about Smart Books reporting requirements, and financial settings is included in the Policy, Procedures and Operations Manual. Use this information to update the following settings in Xero?

- Activity Statement Settings
- Tax Defaults
- Time Zones

Take a screenshot once you have completed the setup of the financial settings and paste it into the box below.



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

## Marking Guide

The following information is provided to students in the Policy, Procedures and Operations Manual. Students must use this information to set up the financial settings in Xero. The Tax File Number for Smart Books is provided in Task 1

### GST and BAS Reporting

Smart Books reports GST on an "accrual" basis and prepare the business activity statement monthly to assist with cash flow. PAYG is also paid monthly, and the PAYG Income Tax Method is paid in quarterly instalments.

### Accounting System

The tax default rates are:

- For Sales - Tax Inclusive
- For Purchases – Tax Inclusive.

The student's submission must include the following information.

- GST Accounting Method - Accruals Basis
- GST Calculation – Monthly
- PAYG Withheld Period – Monthly
- PAYG Income Tax Method – Option 1 [Pay Instalments Quarterly]



- Tax Defaults for Sales and Purchases – Tax Inclusive.

An exemplar answer has been provided below:

### Task 3 Response

## Financial Settings

Advanced accounting >

### Financial settings

**i** There's a new activity statement that supports both the ATO's Simpler BAS and Full BAS reporting. You can change to the new BAS and manage your BAS settings from the new activity statement. [Go to new BAS](#)

#### Financial Year End

30 June [Change](#)

#### Activity Statement Settings <sup>?</sup>

GST Accounting Method	Tax File Number	GST Calculation	PAYG Withheld Period	PAYG Income Tax Method
Accruals Basis	111 111 111	Monthly	Monthly	Option 1 (Pay instalment quarterly)

Additional tax areas applicable to your business

Fringe Benefits Tax    Fuel Tax Credits    Wine Equalisation Tax

#### Tax Defaults

For Sales  
Tax inclusive Includes invoices, quotes, credit notes and receive money items

For Purchases  
Tax inclusive Includes bills, purchase orders, credit notes, and spend money items

#### Lock Dates <sup>?</sup>

Lock dates stop data from being changed for a specific period. You can change these at any time.

Stop all users (except advisers) making changes on and before

Stop all users making changes on and before

#### Time zone

(UTC+10:00) Brisbane

[Save](#) [Cancel](#)

## Task 4



Email subject: Bank Accounts and Conversion Balances

### File Attached Assessment 2 Task 4 – Trial Balance Conversion Balances

Hi there,

Joe has forwarded me the Smart Books trial balance as at 31/05/2020, which I have attached to this email. Smart Books are going to commence using Xero is 01/06/2020. Can you please complete the following tasks?

- a. Set up the following two bank accounts and a cash drawer to receipt the stores daily sales.

Bank: NAB  
BSB #: 333-236  
Account # 1235698  
Account Name: Smart Books Everyday Account  
Account Type: Everyday Account  
Allow for batch payments

Bank: NAB  
BSB #: 333-236  
Account # 1244498  
Account Name: Smart Books Savings Account  
Account Type: Other

- b. Xero has created a default chart of accounts. Using the document attached, customise the chart of accounts for Smart Books and include the conversion balances.

Below are the outstanding customer and supplier invoices at the end of May.

#### SMART BOOKS OUTSTANDING CUSTOMER INVOICES AT 31/05/2020

Date	Invoice #	Customer	Date Due	Amount excluding GST	GST	Total including GST
27/05/20	10988	High Technology High School	10/06/20	\$1,282.73	\$128.27	\$1,411.00
28/05/20	10992	Solid Ground High School	11/06/20	\$1,181.82	\$118.18	\$1,300.00
30/05/20	11000	The Davidson Academy	13/06/20	\$2,513.64	\$251.36	\$2,765.00
31/05/20		<b>Total Outstanding</b>				<b>\$5,476.00</b>

#### SMART BOOKS OUTSTANDING BILLS AT 31/05/2020

Date	Invoice #	Supplier	Date Due	For	Amount excluding GST	GST	Total including GST
24/05/20	INV03433	Optus	14/06/20	Telephone	\$500.00	\$50.00	\$550.00
27/05/20	345765	Beaver Publishing	17/06/20	Purchases	\$3,162.50		\$3,162.50
29/05/20	BP99876	Big Press Distribution	12/06/20	Purchases	\$1,156.62	\$115.66	\$1,272.28

- c. Research how you set the starting invoice number in Xero. In the box below and your own words, describe the process and include a link to your research.

Set the next:

- Invoice prefix and number to INVS-11001
- Credit Note prefix to CNSB
- Purchase order number to POSB-2000
- Quote prefix and number to QUSB-0653
- Bill default due date to 30 days day(s) after the end of the billing month
- Sales Invoice default due date to 14 days after the invoice date.

Take a screenshot of the default setting and include it in the box below.

- d. Generate a trial balance as at 31/05/2020, save it to a file on your desktop and upload it with your assessment. Use the naming convention *students name - A2 T4 trial balance*



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

## Task 4 Response

### Marking Guide

Students must research how to change the invoice sequence number in Xero, describe the process and include a link to their research. Links may vary depending on the site the student accesses. Students must also include a screenshot of the changes they make to the Xero default settings. A benchmark response is provided below.

c.

#### Invoice Number Sequence research

[Change the transaction number sequence – Xero Central \(force.com\)](https://www.force.com)

Change the default number sequence

1. Click the organisation name, select Settings, then click Invoice Settings.
2. Click Default Settings.
3. Under Automatic Sequencing, change the default prefix for the relevant transaction type.
4. Under the Next Number field, change the number to the one you'd prefer the relevant transaction to show.
5. Click Save.

Screenshot of the default setting

### Default Settings ×

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#### Payment Terms

These terms will be used to set the default Due Dates on all bills and sales invoices. You can always override these terms when you create bills and sales invoices. You can also set custom payment terms for individual contacts.

**Bills Default Due Date (Optional)**  
 Due  day(s) after the end of the bill month ▼

**Sales Invoices Default Due Date (Optional)**  
 Due  day(s) after the invoice date ▼

#### Automatic Sequencing

Define the number to be used when creating your next invoice, credit note or purchase order. The number will automatically increment with each new document you create.

<b>Invoice Prefix</b> <input type="text" value="INVSB"/>	<b>Next Number</b> <input type="text" value="11001"/>
<b>Credit Note Prefix</b> <input type="text" value="CNSB"/>	
<b>Purchase Order Prefix</b> <input type="text" value="POSB-"/>	<b>Next Number</b> <input type="text" value="2000"/>
<b>Quote Prefix</b> <input type="text" value="QUSB"/> <input type="text" value="0653"/>	

#### Show Outstanding Bills

Include a link on online invoices to show all outstanding bills for a contact.

#### Quote Expiry Date

Due  of the following month ▼

- d. Students must provide a Trial balance dated 31/05/2020 as per the benchmark answer below. The accounts highlighted in yellow must be customised for Smart Books. The accounts highlighted in blue are new bank accounts students must create. Total must equal \$852,762.00.

# Trial Balance

G Townsend - Smart Books Pty Ltd

As at 31 May 2020

Account Code	Account	Account Type	Debit	Credit
200	Sales	Sales		725,051.87
351	Purchases	Direct Costs	287,456.98	
352	Freight & Delivery	Direct Costs	5,439.80	
400	Accounting & Bookkeeping Fees	Expense	1,570.00	
402	Advertising & Marketing	Expense	18,653.76	
406	Bank Fees	Expense	769.65	
410	Store Cleaning	Expense	15,000.00	
433	Insurance	Expense	5,486.20	
445	Electricity & Gas	Expense	8,549.34	
446	Merchant Fees	Expense	348.00	
447	Motor Vehicles - Fuel & Oil	Expense	4,743.25	
456	Sundry Expenses	Expense	1,567.98	
461	Printing & Stationery	Expense	2,365.76	
469	Shop Rent	Expense	35,000.00	
489	Telephone	Expense	2,400.00	
	Cash Drawer	Bank	1,280.00	
	Smart Books Everyday Account	Bank	15,876.98	
	Smart Books Savings Account	Bank	18,000.00	
610	Accounts Receivable	Current Asset	5,476.00	
630	Stock on Hand	Current Asset	378,987.60	
740	Store Fixtures & Fittings	Fixed Asset	43,790.70	
741	Less Accumulated Depreciation on Store Fixtures & Fittings	Fixed Asset		6,875.00
800	Accounts Payable	Current Liability		4,984.78
820	GST	Current Liability		1,567.98
890	Loans (NAB)	Liability		39,605.00
9911	Capital Contributed - Joe Reader	Liability		25,000.00
960	Retained Earnings	Equity		49,577.37
970	100 Ordinary Shares	Equity		100.00
<b>Total</b>			<b>852,762.00</b>	<b>852,762.00</b>

## Task 5



Email subject: Updating Chart of Accounts

Hi there,

I sent Joe a copy of the Xero chart of accounts for Smart Books. Based on his [5] five-year plan for the business, he has requested the following changes. Please action these.

Amend: 200	Change from Sales to Book sales
	Change description from income from any normal business activity to income from book sales
	Show on the dashboard watchlist
Add Income account	Seminar presentations
	Description - Income from seminar presentations
Add Income account	Writers Workshops
	Description - Income from writers' workshops
Add Direct Cost account	Writers Workshops Travel Costs
	Description - Travel costs associated with writer's workshops.

Take a screenshot of your changes to the Chart of Accounts and paste it into the box below. An extract of the changes only is required not the full chart of accounts.



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

## Task 5 Response

### Marking Guide

Students must amend the name and description of account 200 and add two new income accounts and a direct cost account. The account codes may vary; however, the code for income accounts must start with 2, the code for the direct cost account must start with 3. A Benchmark answer has been provided below.

Amended Chart of Accounts

# Chart of Accounts

## G Townsend - Smart Books Pty Ltd All accounts as at 20 October 2021

Code	Account Name	Type	Tax
	Smart Books Everyday Account	Bank	BAS Excluded
	Smart Books Savings Account	Bank	BAS Excluded
200	<b>Book Sales</b> Income from book sales	Sales	GST on Income
210	<b>Seminar Presentations</b> Income from seminar presentations	Sales	GST on Income
220	<b>Writers Workshops</b> Income from writers workshops	Sales	GST on Income
320	Opening Stock Opening stock levels	Direct Cost	BAS Excluded
330	Opening WIP Opening Work In Progress	Direct Cost	BAS Excluded
351	Purchases	Direct Cost	GST on Expenses
352	Freight & Delivery	Direct Cost	GST on Expenses
353	<b>Writers Workshops Travel Costs</b> Travel costs associated with writer's workshops.	Direct Cost	GST on Expenses
370	Closing WIP Closing Work In Progress	Direct Cost	BAS Excluded
380	Closing Stock Closing stock levels	Direct Cost	BAS Excluded



## Task 6



Email subject: Create Customer and Supplier Contacts

### File Attached Assessment 2 Task 6 - Customer and Supplier Contact List

Hi there,

Thank you for the invite to the Smart Books Xero file. Great to meet you.

I have spoken to Andrew; he has asked me to deal directly with you regarding creating a profile for each of our account customers and suppliers in Xero.

I have attached a spreadsheet with their details to this email. Some of them are overseas suppliers. Could you please set these up for me as per our Policy, Procedures and Operations Manual? If you have any questions, please reach out.

Take a screenshot of:

- a. the suppliers and customer contacts you have set up in Xero
- b. the contact and financial details for Big Press Distribution and Small Beginnings Pty Ltd

and paste into the box below.



Warm regards,

Joe Reader | Owner  
[joe@smartbooks.com.au](mailto:joe@smartbooks.com.au)

## Task 6 Response

Smart Books customer and supplier contacts
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## Marking Guide

Students must set up seven (7) customers and eight (8) suppliers as per the information provided in the Assessment 2 Task 6 Customer and Supplier Contact List

They must:

- a. provide a screenshot of the contacts set up in Xero. Each contact should have an address and an email address
- b. provide a screenshot of the Contact and Financial details for Supplier - Big Press Distribution and Customer - Small Beginnings Pty Ltd, which must align with the following information in Smart Books Policy, Procedures and Operations Manual.

A card for each supplier must be established. This card must contain postal and street address, phone numbers and contacts email address, company ABN, bank account details and the credit terms of the suppliers.

### Accounts Receivable

A card for each credit customer must be established. This card must contain postal and street address, phone numbers and contacts name, email address, ABN, and credit limit.

### Customer Credit Policy

Smart Books' credit terms are as follows:

- All credit sales are invoiced at the time of sale through Xero. Full payment is required within 14 days of the date of the invoice.

a. An exemplar answer is provided below.

All contacts			
<input type="text" value="Search"/>		<a href="#">↑ Name</a>	
0 contacts selected		<a href="#">+ Add to group</a> <a href="#">🗑️ Archive</a>	
<input type="checkbox"/>	Contact	You owe them	They owe you
<input type="checkbox"/>	<b>BP Beaver Publishing</b> 1341 Seventh Street, Berkeley, 94710 orders@beaverpublishing.org	📅 3,162.50	⋮
<input type="checkbox"/>	<b>BPD Big Press Distribution</b> PO Box 154, Lidcombe, 2141 orders@bigpress.com.au • +61 02 9445 3543	📅 1,272.28	⋮
<input type="checkbox"/>	<b>BTR Born to Read</b> PO Box 58, Brisbane, 4001 jack.bean@gmail.com • 0408 234 234		⋮
<input type="checkbox"/>	<b>EC Elders Council</b> PO Box 87, Logan City, 4207 jim.smile@elderscouncil.com.au • +61 07 3498 9876		⋮
<input type="checkbox"/>	<b>GPS Green Point Secondary School</b> PO Box 122, Brisbane, 4001 susan.smart@greenpoint.edu.au • +61 07 3579 5859		⋮
<input type="checkbox"/>	<b>GBG Greengrass Book Group</b> PO Box 780, Parramatta, 2150 orders@greengrass.com • +61 02 9812 7600		⋮
<input type="checkbox"/>	<b>HTH High Technology High School</b> PO Box 645, Somerset, 4876 brad.dogman@hightechnology.edu.au • 07 7588 3255	📅 1,411.00	⋮
<input type="checkbox"/>	<b>IPG Independent Publishers Group</b> PO Box 65, Mount Cravatt, 4122 enquiries@ipg.com • +61 07 8906 5488		⋮
<input type="checkbox"/>	<b>JSP John Smith Properties Pty Ltd</b> PO Box 330, Brisbane, 4000 peter.Diver@jproperties.com.ad • +61 07 8765 3988		⋮
<input type="checkbox"/>	<b>O Optus</b> PO Box 9812, Melbourne, 3000 accounts@optus.com.au • 133937	📅 550.00	⋮
<input type="checkbox"/>	<b>PBD PLJ Book Distribution</b> Lane 181, Taicang Road, Huangpu District, 200021 accounts@pljbook.distribution • 1800 554 1963		⋮
<input type="checkbox"/>	<b>PMP Print Media Pty Ltd</b> 12 Little Lane, Chicago, 60628 orders@printmedia.org • (800) 888-4741		⋮
<input type="checkbox"/>	<b>SBP Small Beginnings Pty Ltd</b> PO Box 234, Bergalia, 2537 james.small@small.beginnings		⋮
<input type="checkbox"/>	<b>SGH Solid Ground High School</b> PO Box 87, Noosa, 4567 sandra.sun@solid.group • +61 07 6542 3399	📅 1,300.00	⋮
<input type="checkbox"/>	<b>TDA The Davidson Academy</b> PO Box 995, Ipswich, 4305 peter.wetweek@thedavidson.edu.au • +61 07 3765 1234	📅 2,765.00	⋮

Contacts per page 50 Showing contacts 1-15 of 15

b. An exemplar answer is provided below.

Contacts > **Big Press Distribution**

New

**1 bill awaiting payment** YOU OWE **1,272.28**  
View recent bills report  
OVERDUE 1,272.28

ITEM	REFERENCE	DATE	ACTIVITY DATE	DUE	TOTAL
Bill approved	BP90876	29 May 2020	Due 495 days ago	1,272.28	1,272.28

**Money out over last 12 months**

Activity Notes Email Add a note

ITEM	NUMBER	REFERENCE	DATE	ACTIVITY DATE	DUE	TOTAL
Edited By Gayelene Townsend@uj Bank account number changed from 123456 to 123456 7230234.			20 Oct 2021	Today at 12:25 PM		
Edited By Gayelene Townsend@uj Primary contact person's email address changed from no value to orders@bigpress.com.au.			20 Oct 2021	Today at 12:11 PM		
Edited By Gayelene Townsend@uj Bank account number changed from no value to 123456.			20 Oct 2021	Today at 12:11 PM		
Created By Gayelene Townsend@uj Big Press Distribution has been created.			19 Oct 2021	Yesterday at 3:50 PM		

**Contact Details**

Contact Person: Molly Sweet  
 Email: orders@bigpress.com.au  
 Phone: +61-02-9445 3543  
 Mobile: 0401 554 839  
 Postal Address: PO Box 154, Lidcombe, NSW 2141, Australia  
 Street Address: Lidcombe, NSW 2141, Australia

**Financial Details**

ABN: 21 876 547 349  
 Sales Discount: 2%  
 Default Currency: AUD Australian Dollar  
 Bank Account Number: 123456 7230234  
 Bank Account Name: Big Press Distribution  
 Bills Terms: 30 days after the end of the bill month  
 Credit Limit: 17,000.00  
 Credit Available: 17,000.00

Contacts > **Small Beginnings Pty Ltd**

Small Beginnings Pty Ltd has been saved.  
[Edit Contact](#) [Add a New Contact](#)

New

**Track your cashflow with this contact**

See how much you spend and receive with this contact on a monthly basis.  
 Add an [invoice](#) or [bill](#) to get started.

**Money and over last 12 months**

Activity Notes Email Add a note

ITEM	ACTIVITY DATE	TOTAL
 You have no notes saved with this contact yet.		

**Contact Details**

Contact Person: James Small  
 Email: james.small@small.beginnings  
 Phone: +61-02-9876 2345  
 Postal Address: PO Box 234, BERGALIA, NSW 2537, Australia  
 Street Address: 2 Shane Cres, Bergalia, NSW 2537, Australia

**Financial Details**

ABN: 21 897 567 937  
 Sales Discount: 5%  
 Sales Terms: 14 days after the invoice date  
 Credit Limit: 10,000.00  
 Credit Available: 10,000.00

## Task 7



Email subject: Setup Inventory Items

Hi there,

I hope you are well. I can see that you have set up our suppliers and customers in Xero. I would also like you to set up inventory items we sell.

We currently use a customised stock management software program to maintain optimal stock levels in the shop. At this stage, we do not intend to use Xero to track our inventory. However, we need to be able to itemise invoices when goods are sold to customers.

Some of our supplies are located overseas, and we do not pay GST on the items we source from them. Could you check to ensure we are correctly reporting our GST? If you locate any errors, adjust the GST column amount only.

Create an inventory item in Xero for each of the items.

Item Code	Item Name	Overseas or Australian Supplier	Cost Price (ex GST)	GST	Selling Price (inc GST)
201	Introduction to Accounting	Overseas	34.95		70.00
202	Business Basics	Australian	30.00	3.00	65.00
203	Introduction to Computers	Australian	22.00	2.20	45.00
204	Introduction to Office Procedures	Overseas	39.99		80.00
205	The Complete Spreadsheet Book	Overseas	24.95		50.00
206	The Complete Database Book	Overseas	24.95		50.00
207	Business Documents	Australian	27.23	2.72	60.00
208	Analysis with Microsoft Excel	Overseas	24.40	2.44	50.00
209	7 steps to Better Thinking	Overseas	29.95		60.00
210	4 Quarters for Thinking	Australian	29.95		60.00

Thank you for your help.

Once you have completed this task, export a pdf of the inventory items, save a copy to your desktop and upload it with your assessment. Use the naming convention *students name - A2 T7 Inventory Items*



Warm regards,

Joe Reader | Owner  
[joe@smartbooks.com.au](mailto:joe@smartbooks.com.au)

## Marking Guide

Students must generate an inventory list using the item in the table above. They must identify the following errors and correct them when creating the inventory items in Xero.

208	Analysis with Microsoft Excel	Overseas	24.40	No GST	50.00
209	7 steps to Better Thinking	Overseas	29.95		60.00
210	4 Quarters for Thinking	Australian	29.95	3.00	60.00

An exemplar answer is provided below.

## Inventory Items

### G Townsend - Smart Books Pty Ltd As at 20 October 2021

Item Code	Item Name	Purchases Description	Purchases Price	Purchases Account	Cost of Goods Sold Account	Inventory Asset Account	Tax	Sales Description	Sales Price	Sales Account	Tax
201	Introduction to Accounting	Introduction to Accounting	34.95	351 - Purchases			GST Free Expenses	Introduction to Accounting	70.00	200 - Book Sales	GST on Income
202	Business Basics	Business Basics	33.00	351 - Purchases			GST on Expenses	Business Basics	65.00	200 - Book Sales	GST on Income
203	Introduction to Computers	Introduction to Computers	24.20	351 - Purchases			GST on Expenses	Introduction to Computers	45.00	200 - Book Sales	GST on Income
204	Introduction to Office Procedures	Introduction to Office Procedures	39.99	351 - Purchases			GST Free Expenses	Introduction to Office Procedures	80.00	200 - Book Sales	GST on Income
205	The Complete Spreadsheet Book	The Complete Spreadsheet Book	24.95	351 - Purchases			GST Free Expenses	The Complete Spreadsheet Book	50.00	200 - Book Sales	GST on Income
206	The Complete Database Book	The Complete Database Book	24.95	351 - Purchases			GST Free Expenses	The Complete Database Book	50.00	200 - Book Sales	GST on Income
207	Business Documents	Business Documents	29.95	351 - Purchases			GST on Expenses	Business Documents	60.00	200 - Book Sales	GST on Income
208	Analysis with	Analysis with	24.40	351 - Purchases			GST Free Expenses	Analysis with	50.00	200 - Book Sales	GST on Income

## Inventory Items

Item Code	Item Name	Purchases Description	Purchases Price	Purchases Account	Cost of Goods Sold Account	Inventory Asset Account	Tax	Sales Description	Sales Price	Sales Account	Tax
	Microsoft Excel	Microsoft Excel						Microsoft Excel			
209	7 steps to Better Thinking	7 steps to Better Thinking	29.95	351 - Purchases			GST Free Expenses	7 steps to Better Thinking	60.00	200 - Book Sales	GST on Income
210	4 Quarters for Thinking	4 Quarters for Thinking	32.95	351 - Purchases			GST on Expenses	4 Quarters for Thinking	60.00	200 - Book Sales	GST on Income

## Task 8



Email subject: Maintaining Fixed Assets

**FILE ATTACHED** Assessment 2 Task 8 – KK – INV11199

Hi there,

Joe has sent through a list of Smart Books fixtures and fittings. Can you please set up Smart Books fixed asset register in Xero?

Smart Books Fixed Assets							
Store Fixtures							
Asset Number	Item	Purchased Date	Purchased Price	Asset Type	Depreciation Rate	Depreciation Method	Accumu Depreciation 31/05/2020
SBSF- 001	Shop Counter	11/1/2019	\$6500.00	Store Fixtures	20%	Straight Line	\$501.73
SBSF- 002	Bookshelves	12/3/2019	\$18000.00	Store Fixtures	20%	Straight Line	\$3,000.00
SBSF- 003	Display Shelves	12/3/2019	\$19290.70	Store Fixtures	20%	Straight Line	\$3,373.27

On 1 June 2020, Joe purchased a new Canon printer.

The printer has a cost of \$4,400.00 and is to be depreciated using the straight-line depreciation method. It has an expected life of four (4) years. I have attached a copy of the tax invoice.

Please enter this purchase into Smart Books accounts and register the printer in the fixed asset register (asset number SBOE-001 office equipment). Attach a copy of the tax invoice to the transaction in Xero.

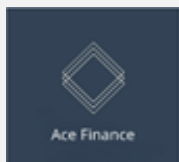
Once you have completed this task reconcile the fixed asset register to the balance sheet. Take a screenshot of:

- the fixed asset reconciliation report as at June 2020.
- the transaction for the Cannon printer you entered in Xero

and paste into the box below.

Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)





## Task 8 Response

### Marking Guide

Students must generate a Fixed Asset Reconciliation report dated 30 June 2020. The report must include [2] asset types:

- Office Equipment
- Store Fixtures & Fittings

On 30 June 2020, the Book Value and Accum Dep balance sheet and asset register figures must reconcile. An exemplar answer is provided below


a. Fixed asset reconciliation report as at June 2020

## Fixed Asset Reconciliation

### G Townsend - Smart Books Pty Ltd As at 30 June 2020

	Book Value 1-Jul-19	Accum Dep 1-Jul-19	Debits	Credits	Book Value 30-Jun-20	Accum Dep 30-Jun-20
<b>Office Equipment</b>						
Balance sheet	-	-	4,000	-	4,000	-
Asset register	-	-	4,000	-	4,000	-
<b>Difference</b>	-	-			-	-
<b>Store Fixtures &amp; Fittings</b>						
Balance sheet	-	-	43,791	-	36,916	6,875
Asset register	36,916	6,875	-	-	36,916	6,875
<b>Difference</b>	<b>(36,916)</b>	<b>(6,875)</b>			-	-
<b>Total Difference</b>	<b>(36,916)</b>	<b>(6,875)</b>			-	-

Students must take a screenshot of the transaction for the Cannon printer in Xero. The transaction must have:

- attached the invoice 
- allocated the transaction to Office Equipment
- signed the correct Tax Rate

An exemplar answer is provided below

b. Cannon printer transaction

# Transaction: Spend Money



Unreconciled

What's this?

1

Options

To	Date	Reference	Total
King Kopiers Pty Ltd	1 Jun 2020	KK - INV11199	4,400.00

Amounts are Tax Exclusive

Item Code	Description	Quantity	Unit Price	Account	Tax Rate	Amount AUD
	Printer SERIAL No 1747411870148371 Colour with sorter	1.00	4,000.00	Office Equipment	GST on Expenses	4,000.00

Subtotal 4,000.00

Total GST 10% 400.00

**TOTAL 4,400.00**

## History & Notes

Approved by Gayelene Gayelene.Townsend@up.education on 21 Oct 2021 at 8:34a.m.

To King Kopiers Pty Ltd for 4,400.00.

Show History (3 entries)

Add Note



**Congratulations, you have reached the end of Assessment 2!**

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