



FNSACC322

ASSESSOR GUIDE

Administer subsidiary accounts and ledgers

Assessment 2 of 3

Case Study

Assessment Overview

This is assessment two (2) of three (3) assessments for FNSACC322 Administer subsidiary accounts and ledgers. It is an open book written assessment. You can use your learning materials as a reference.

This assessment requires you to complete five (5) tasks to test your understanding and the skill required for this unit.

- Task 1 Review accounts receivable
- Task 2 Resolve discrepancies and correct errors
- Task 3 Identify bad and doubtful debts
- Task 4 Contact clients and request payment
- Task 5 Plan recovery action for bad debts

This assessment uses a simulated business called Ace Finance. To complete the assessment tasks, you will need to access information, documents, and templates associated with one of Ace Finance's clients, Melissa Murray, from the company **Mel's Makeup Pty Ltd**.

The supporting documents you will need to complete the assessment can be downloaded from the learning platform under the Assessment 2 tab.

For this assessment, you will role-play Patresia Florence, a trainee accountant with Ace Finance. Andrew Black is your manager. To be assessed as competent, you must complete all tasks in the spaces provided in this assessment document word templates or the A2 Excel Workbook.

Read each question carefully before typing your response in the space provided.

Additional resources and supporting documents

To complete this assessment, you will need the following:

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- Mel's Makeup Finance Policies & Procedures
- Bank Statement March 2021
- A2 Excel Workbook
- Invoices & Adjustments
- Invoice D&K Jones
- Invoice P&K Pty Ltd
- Overdue Accounts Receivable Log
- Invoice Fiona's Face Painting
- Invoice Paint Your Face
- Invoice Action Training College



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 Review accounts receivable

For this assessment task, you are required to review the accounts receivable for Mel's Makeup Pty Ltd.

Candidates Instructions

To complete this task, read the below email from Andrew Black and action his request.

	To:	Patresia Florence (p.florence@acefinance.com.au)
	From:	Andrew Black (a.black@acefinance.com.au)
	Date/time:	Monday, 15 April 2021, 10:45 a.m.
	Subject:	Mel's Makeup Accounts Receivable
	File Attached:	Mel's Makeup Finance Policies & Procedures
File Attached:	Bank Statement March 2021	
File Attached:	A2 Excel Workbook	
File Attached:	Invoices & Adjustments	

Good morning Patresia,

I hope you had a nice weekend and enjoyed the lovely weather.

I need your assistance. One of our clients, Melissa Murray, has asked us to assist her in managing her outstanding accounts receivable and implementing a debt recovery plan.

Background

Melissa is the managing director of Mel's Makeup Pty Ltd. Mel's Makeup operates five (5) retail stores across Australia and plans to expand to all states within the next two (2) years. Mel is aware that several staff changes have recently occurred in the accounts department, resulting in longer-than-usual delays in chasing overdue accounts. So that she can focus on tasks that are core to her business, she has asked us to review her current account receivable processes, chase up any overdue accounts and recommend an effective management strategy moving forward.

I have attached Mel's Makeup Finance Policies & Procedures. While undertaking your review, please check that her policies and procedures relating to reconciling and monitoring financial accounts and her credit policy are being followed internally.

Melissa has provided copies of the following document:

- Bank Statement March 2021
- Cash Receipts Journal Mel's Makeup March 2021 (Tab 1, A2 Excel Workbook)
- Accounts Receivable Subsidiary Ledger [extract] Mel's Makeup March 2021 (Tab 2, Excel Workbook)

I need you to:

- a. Check the attached invoices and adjustment note to ensure they have been posted correctly to the accounts receivable subsidiary ledger.

Use the snipping tool to capture a screenshot of any error you have identified and any adjustments you have made to correct the errors. Paste the screenshots in the table below.

- b. **In line with Mel's Makeups Bank Account policy**, reconcile the transactions in the cash receipts journal to the transactions listed on the March 2021 bank statement.

Using the attached memo template, draft a memo to Melissa notifying her of any errors you identify.

Include:

- a screenshot of each error
- a short description of each error
- a suggested source document that she could review to check the accuracy of the receipt and resolve the errors.

(Approximately 200 words)

- c. Check payments to the accounts receivable subsidiary ledgers have been posted correctly. In the table below:

- explain any posting errors you identify.
- describe what action you would take to investigate these errors.

(Approximately 40 - 60 words per error)

Kind Regards,



Andrew Black
Director – ACE Finance
PO Box 298 Geebung Qld, 4220
Phone: 1800 111 222
www.ace.finance.com.au

Bank Statement



Statement Period

Bank Statement

01 March 2021 - 21 March 2021

Mel's Makeup Pty Ltd
200 Main Street
Sydney NSW 2000

Account No.	027-000	20-00001
Opening Balance		15,986.00
Total Debits		76,085.70
Total Credits		95,615.34
Closing Balance		35,515.64

Statement 23

Page 1

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)	
1/03/2021	Balance b/f			15,986.00	CR
	EFTPOS Settlement		2,775.45	18,761.45	CR
2/03/2021	EFTPOS Settlement		4,595.85	23,357.30	CR
3/03/2021	EFTPOS Settlement		2,346.00	25,703.30	CR
4/03/2021	Cheque 183	1,595.00		24,108.30	CR
	Direct Deposit {from acc 274385}		2,345.50	26,453.80	CR
	Direct Deposit {from acc 27889791}		8,776.00	35,229.80	CR
	EFTPOS Settlement		1,264.50	36,494.30	CR
5/03/2021	Cheque 187	1,500.00		34,994.30	CR
5/03/2021	EFTPOS Settlement		2,650.00	37,644.30	CR
	Branch Deposit Cash/Cheque Deposit		9,865.79	47,510.09	CR
8/03/2021	EFTPOS Settlement		979.00	48,489.09	CR
	Cheque 186	3,500.00		44,989.09	CR
	Cheque 184	1,350.00		43,639.09	CR
	Westpac Internet Banking				
	Telstra {98765}	245.75		43,393.34	CR
	Westpac Internet Banking				
	AAMI {76564}	3,775.85		39,617.49	CR
9/03/2021	EFTPOS Settlement		2,768.95	42,386.44	CR
10/03/2021	EFTPOS Settlement		5,410.15	47,796.59	CR
	Cheque 188	198.00		47,598.59	CR
11/03/2021	EFTPOS Settlement		2,453.20	50,051.79	CR
12/03/2021	EFTPOS Settlement		2,398.00	52,449.79	CR
	Branch Deposit Cash/Cheque Deposit		7,094.03	59,543.82	CR
15/03/2021	EFTPOS Settlement		3,119.05	62,662.87	CR
	Cheque book fee	15.00		62,647.87	CR
16/03/2021	EFTPOS Settlement		1,296.55	63,944.42	CR
17/03/2021	EFTPOS Settlement		2,234.95	66,179.37	CR
	Direct Deposit {from acc 13245}		696.00	66,875.37	CR
TOTALS AT END OF PAGE		12,179.60	63,068.97	66,875.37	

Account No.

027-000

20-00001

Page 2

Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)	
18/03/2021	EFTPOS Settlement		1,987.45	68,862.82	CR
	Dishonoured cheque - D & K Jones	2,707.50		66,155.32	CR
	Dishonoured cheque fee	22.00		66,133.32	CR
19/03/2021	EFTPOS Settlement		2,342.55	68,475.87	CR
	Branch Deposit Cash/Cheque Deposit		4,522.05	72,997.92	CR
22/03/2021	EFTPOS Settlement		987.95	73,985.87	CR
23/03/2021	EFTPOS Settlement		1,987.45	75,973.32	CR
24/03/2021	EFTPOS Settlement		2,345.90	78,319.22	CR
	Transfer to 27137101407	60,000.00		18,319.22	CR
25/03/2021	EFTPOS Settlement		965.35	19,284.57	CR
26/03/2021	EFTPOS Settlement		1,887.55	21,172.12	CR
	Branch Deposit Cash/Cheque Deposit		3,045.92	24,218.04	CR
29/03/2021	EFTPOS Settlement		3,412.50	27,630.54	CR
30/03/2021	EFTPOS Settlement		2,345.90	29,976.44	CR
31/03/2021	EFTPOS Settlement		2,323.30	32,299.74	CR
	Direct Deposit {from acc 13245} P&K P\L		1,369.50	33,669.24	CR
	Direct Deposit {from acc 64378789}		2,985.50	36,654.74	CR
	Interest		37.50	36,692.24	CR
	Merchant Fees	597.60		36,094.64	CR
	Account Fees	29.00		36,065.64	CR
	Transfer - Drawings	550.00		35,515.64	CR
TOTALS AT END OF PAGE		63,906.10	32,546.37	35,515.64	
TOTALS AT END OF PERIOD		76,085.70	95,615.34	35,515.64	

Summary of fees	Total no of transactions	Fee per transaction	Total Charge
Merchant fees	747.00	0.80	597.60
Account service fee			29.00
Dishonoured cheque fee	1.00	22.00	22.00
Cheque book fee			15.00
Total Bank Account Fees and charges			663.60

Please check all entries and call 171317 regarding any errors on this statement.

All entries generated are subject to authorisation and verification and if necessary adjustments will appear on later statements.



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
1/03/2021	EFTPOS Settlement 0103					2,775.45	252.31		2,523.14	
2/03/2021	EFTPOS Settlement 0203					4,595.85	417.80		4,178.05	
3/03/2021	EFTPOS Settlement 0303					2,346.00	213.27		2,132.73	
4/03/2021	EFTPOS Settlement 0403					1,264.50	114.95		1,149.55	
	J P Hip Pty Ltd	MMR001	1021	11.22	112.23	2,345.50		2,468.95		
	Swinging Dance Studio	MMR002	1022			8,766.00		8,766.00		
5/03/2021	EFTPOS Settlement 0503					2,650.00	240.91		2,409.09	
	Branch Deposit cash & cheques		BBD2890			9,865.79	435.50		4,355.00	
	- Jack & Jill Photography	MMR003	1023	1.37	13.67			300.77		
	- Sydney Makeup	MMR004	1024					4,789.56		
8/03/2021	EFTPOS Settlement 0803					979.00	89.00		890.00	
9/03/2021	EFTPOS Settlement 0903					2,768.95	251.72		2,517.23	
10/03/2021	EFTPOS Settlement 1003					5,410.15	491.83		4,918.32	
11/03/2021	EFTPOS Settlement 1103					2,453.20	223.02		2,230.18	
12/03/2021	EFTPOS Settlement 1203					2,398.00	218.00		2,180.00	
	Branch Deposit cash & cheques		BBD2891			7,094.03	336.50		3,365.00	
	- D & K Jones	MMR006	1025	12.95	129.55			2,850.00		
	- Fiona's Face Painting	MMR007	1026					685.03		
15/03/2021	EFTPOS Settlement 1503					3,119.05	283.55		2,835.50	
16/03/2021	EFTPOS Settlement 1603					1,296.55	117.87		1,178.68	
17/03/2021	EFTPOS Settlement 1703					2,234.95	203.18		2,031.77	
	AA Theatre Company	MMR008	1027			696.00		696.00		
18/03/2021	EFTPOS Settlement 1803					1,987.45	180.68		1,806.77	
19/03/2021	EFTPOS Settlement 1903					2,342.55	212.96		2,129.59	
	Branch Deposit cash & cheques		BBD2892			4,522.05	186.55		1,865.50	
	- Superheroes Party Hire	MMR009	1028					1,294.46		
	- Pamper Party Pty Ltd	MMR011	1029	5.62	56.25				1,237.41	
22/03/2021	EFTPOS Settlement 2203					987.95	89.81		898.14	
23/03/2021	EFTPOS Settlement 2303					1,987.45	180.68		1,806.77	
24/03/2021	EFTPOS Settlement 2403					2,345.90	213.26		2,132.64	
25/03/2021	EFTPOS Settlement 2503					965.35	87.76		877.59	
26/03/2021	EFTPOS Settlement 2603					1,887.55	171.60		1,715.95	
	Branch Deposit cash & cheques		BBD2892			3,045.92	112.50		1,125.00	
	- Blossom Makeup	MMR0012	1030	1.66	16.59			365.00		
	- Wedding Hair & Makeup	MMR0013	1031	2.66	26.59			585.00		
	- ABC Amateur Theatre	MMR0014	1032	4.33	43.35			953.60		
29/03/2021	EFTPOS Settlement 2903					3,412.50	310.23		3,102.27	
30/03/2021	EFTPOS Settlement 3003					2,345.90	213.26		2,132.64	
31/03/2021	EFTPOS Settlement 3103					2,323.30	211.21		2,112.09	
	Portraits by Paul	MMR0015	1034			2,985.50		2,985.50		
	Interest					37.50				37.50
	Totals			39.81	398.23	94,235.84	6,059.92	26,739.87	61,836.59	37.50

Accounts Receivable Subsidiary Ledger



Accounts Receivable Subsidiary Ledger

JP Hip Pty Ltd - MMR001

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
27/02/2021	Sales		2,244.50				
	GST Payable		224.45				
			<u>2,468.95</u>				
1/03/2021	balance b/d		2,468.95	4/03/2021	Cash at bank	CRJ0321	2,345.50
					Discount Allowed	CRJ0321	112.23
					GST Payable	CRJ0321	11.22

Swinging Dance Studio - MMR002

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		8,776.00				
1/03/2021	balance b/d		8,776.00	4/03/2021	Cash at bank	CRJ0321	8,766.00

Jack and Jill Photography - MMR003

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
28/02/2021	Sales		273.43				
	GST Payable		27.34				
			<u>300.77</u>				
1/03/2021	balance b/d		300.77	5/03/2021	Cash at bank	CRJ0321	285.73
15/03/2021	Sales	SJ03	265.00		Discount Allowed	CRJ0321	13.67
	GST Payable	SJ03	26.50		GST Payable	CRJ0321	1.37

Sydney Makeover - MMR004

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
29/03/2021	Sales	SJ03	150.00	5/03/2021	Cash at bank	CRJ0321	4,789.56
	GST Payable	SJ03	15.00				

Sydney Makeup - MMR005

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		4,789.56				

D & K Jones - MMR006

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
18/02/2021	Sales	SJ03	2,590.91				
	GST Payable	SJ03	259.09				
			<u>2,850.00</u>				
1/03/2021	balance b/d		2,850.00	12/03/2021	Cash at Bank	CRJ0321	2,707.50
					Discount Allowed	CRJ0321	129.55
					GST Payable	CRJ0321	12.95

Fiona's Face Painting - MMR007

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		1,285.03				
1/03/2021	balance b/d		1,285.03	12/03/2021	Cash at Bank	CRJ0321	685.03

AA Theatre Company - MMR008

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		696.00	17/03/2021	Cash at Bank	CRJ0321	696.00

Superheroes Party Hire - MMR009

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		1,294.46	19/03/2021	Cash at Bank	CRJ0321	1,294.46

P & K Pty Ltd - MMR010

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
25/02/2021	Sales	SJ02	1,369.50				
	GST Payable	SJ02	136.95				
			<u>1,506.45</u>				
1/03/2021	balance b/d		1,506.45				

Pamper Party Pty Ltd - MMR011

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
5/03/2021	Sales	SJ02	1,124.92				
	GST Payable	SJ02	112.49				

Blossom Makeup - MMR012

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
5/03/2021	Sales	SJ02	331.82	26/03/2021	Cash at Bank	CRJ0321	346.75
	GST Payable	SJ02	33.18		Discount Allowed	CRJ0321	16.59
					GST Payable	CRJ0321	1.66

Wedding Hair & Makeup - MMR013

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
8/03/2021	Sales	SJ02	531.82	26/03/2021	Cash at Bank	CRJ0321	555.75
	GST Payable	SJ02	53.18		Discount Allowed	CRJ0321	26.59
					GST Payable	CRJ0321	2.66

ABC Amateur Theatre - MMR014

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
12/03/2021	Sales	SJ02	866.91	26/03/2021	Cash at Bank	CRJ0321	905.92
	GST Payable	SJ02	86.69		Discount Allowed	CRJ0321	43.35
					GST Payable	CRJ0321	4.33

Portraits by Paul - MMR015

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		<u>2,985.50</u>				
1/03/2021	balance b/d		2,985.50	12/03/2021	Cash at Bank	CRJ0321	2,985.50

Paint Your Face - MMR016

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		<u>4,595.50</u>				
1/03/2021	balance b/d		4,595.50				

Samantha K's Dance School - MMR017

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		<u>7,554.95</u>				
1/03/2021	balance b/d		7,554.95				

Action Training College - MMR018

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		<u>10,115.25</u>				
1/03/2021	balance b/d		10,115.25				

ALK Pty Ltd - MMR019

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		<u>8.00</u>				
1/03/2021	balance b/d		8.00				

MT Paris Theatre Company - MMR020

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	980.00	31/03/2021	Sales Discount	SJ03	49.00
	GST Payable	SJ03	98.00		GST Payable	SJ03	4.90

Spencer & Clive Pty Ltd - MMR021

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	1,254.09	31/03/2021	Sales Returns & Adjust SRAJ03		250.00
	GST Payable	SJ03	125.41				

MARKING GUIDE

a. Posting Errors

a. Posting Errors

The candidate must identify the following two errors and correct them in the accounts receivable subsidiary ledger. The answer provided by the candidate must match the screenshots in the sample answers below.

Invoice 1234500 for MT Paris Theatre Company – A sales discount has been posted to the subsidiary ledger in error. A 5% discount only applies if the invoice is paid within seven (7) days from the invoice's date.

Incorrect Posting

MT Paris Theatre Company - MMR020							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	980.00	31/03/2021	Sales Discount	SJ03	49.00
	GST Payable	SJ03	98.00		GST Payable	SJ03	4.90

Correct Posting

MT Paris Theatre Company - MMR020							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	980.00				
	GST Payable	SJ03	98.00				

Adjustment Note CR12345 for Spencer & Clive Pty Ltd – No GST has been posted to the subsidiary ledger. The

Incorrect Posting

Spencer & Clive Pty Ltd - MMR021							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	1,254.09	31/03/2021	Sales Returns & Adjust	SRAJ03	250.00
	GST Payable	SJ03	125.41				

Correct Posting

Spencer & Clive Pty Ltd - MMR021							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	1,254.09	31/03/2021	Sales Returns & Adjust	SRAJ03	227.27
	GST Payable	SJ03	125.41		GST Payable	SRAJ03	22.73

b. Cash Receipts Journal and Bank Statement discrepancies

Candidates must write a memo to Melissa Murray using the template provided. They must include their name, date and subject. The wording in the body of the memo will vary. However, a competent answer must identify four (4) incorrect entries in the cash receipts journal. Candidates must specify the type of error and possible source documents they could use to check the accuracy in their response. A benchmark answer has been provided below.

Memo (Approximately 200 words)



To: Melissa Murray
From: Candidates Name
Date: xx/xx/20xx
Re: Review of Accounts Receivable – Mel’s Makeup

Hi Melissa

I have reconciled the transactions recorded in the cash receipts journal against the March 2021 bank statement and have identified the following four errors. My recommendation would be to check the source documents to ensure the errors have been made by a staff member and not a bank error.

Error 1 - 04/03/2021 – Swinging Dance Studio

Type of error – Direct Deposit {from acc 27889791} \$8,776.00 incorrectly entered into Cash Receipts Journal \$8,766.00.

Source document to check – Remittance Advice / Cash Receipt

Statement 23				Page 1	
Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)	
1/03/2021	Balance b/f			15,986.00	CR
	EFTPOS Settlement		2,775.45	18,761.45	CR
2/03/2021	EFTPOS Settlement		4,595.85	23,357.30	CR
3/03/2021	EFTPOS Settlement		2,346.00	25,703.30	CR
4/03/2021	Cheque 183	1,595.00		24,108.30	CR
	Direct Deposit (from acc 274385)		2,345.50	26,453.80	CR
	Direct Deposit (from acc 27889791)		8,776.00	35,229.80	CR
	EFTPOS Settlement		1,264.50	36,494.30	CR



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
1/03/2021	EFTPOS Settlement 0103					2,775.45	252.31		2,523.14	
2/03/2021	EFTPOS Settlement 0203					4,595.85	417.80		4,178.05	
3/03/2021	EFTPOS Settlement 0303					2,346.00	213.27		2,132.73	
4/03/2021	EFTPOS Settlement 0403					1,264.50	114.95		1,149.55	
	J P Hip Pty Ltd	MMR001	1021	11.22	112.23	2,345.50		2,468.95		
	Swinging Dance Studio	MMR002	1022			8,766.00		8,766.00		
5/03/2021	EFTPOS Settlement 0503					2,650.00	240.91		2,409.09	
	Branch Deposit cash & cheques		BBD2890			9,865.79	435.50		4,355.00	

Error 2 - 18/03/2021 – Dishonoured cheque D & K Jones

Source Document - Bank statement

Type of error - Dishonoured cheque of \$2,707.50 not recorded in the Cash Receipts Journal.

Account No. 027-000 20-00001

Page 2

Date	Transaction Details	Withdrawals (\$ Deposits (\$)	Balance (\$)	
18/03/2021	EFTPOS Settlement	1,987.45	68,862.82	CR
	Dishonoured cheque - D & K Jones	2,707.50	66,155.32	CR
	Dishonoured cheque fee	22.00	66,133.32	CR
19/03/2021	EFTPOS Settlement	2,342.55	68,475.87	CR



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
17/03/2021	EFTPOS Settlement 1703					2,234.95	203.18		2,031.77	
	AA Theatre Company	MMR008	1027			696.00		696.00		
18/03/2021	EFTPOS Settlement 1803					1,987.45	180.68		1,806.77	
19/03/2021	EFTPOS Settlement 1903					2,342.55	212.96		2,129.59	
	Branch Deposit cash & cheques		BBD2892			4,522.05	186.55		1,865.50	

Error 3 - 19/03/2021 – Pamper Party Pty Ltd

Source Document – Deposit Book / Cash Receipt

Type of error - Branch Deposit cash & cheques – Payment from Pamper Party Pty Ltd recorded in the Sales column of the Cash Receipts Journal instead of the Accounts Receivable Control column.



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
19/03/2021	EFTPOS Settlement 1903					2,342.55	212.96		2,129.59	
	Branch Deposit cash & cheques		BBD2892			4,522.05	186.55		1,865.50	
	- Superheroes Party Hire	MMR009	1028					1,294.46		
	- Pamper Party Pty Ltd	MMR011	1029	5.62	56.25				1,237.41	
22/03/2021	EFTPOS Settlement 2203					987.95	89.81		898.14	

Error 4 - 31/03/2021 – P & K Pty Ltd

Source Document – Bank Statement

Type of error – Direct Deposit {from acc 13245} P&K P/L for \$1369.50 not recorded in the Cash Receipts Journal.

Account No.		027-000	20-00001	
Page 2				
Date	Transaction Details	Withdrawals (\$)	Deposits (\$)	Balance (\$)
31/03/2021	EFTPOS Settlement		2,323.30	32,157.24 CR
	Direct Deposit {from acc 13245} P&K P\L		1,369.50	33,526.74 CR
	Direct Deposit {from acc 64378789}		2,985.50	36,512.24 CR
	Interest		37.50	36,549.74 CR



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
30/03/2021	EFTPOS Settlement 3003					2,345.90	213.26		2,132.64	
31/03/2021	EFTPOS Settlement 3103					2,323.30	211.21		2,112.09	
	Portraits by Paul	MMR0015	1034			2,985.50		2,985.50		
	Interest					37.50				37.50
	Totals			39.81	398.23	94,235.84	6,059.92	26,739.87	61,836.59	37.50

c. Posting payments to the accounts receivable subsidiary ledger errors

Candidates must identify the following five errors type of error and possible source documents they could use to check the accuracy in their response. A benchmark answer has been provided below.

c. Posting payments to the accounts receivable subsidiary ledger errors

Errors	Actions taken to investigate and correct error (Approximately 40 - 60 words per error)																																																																																																																																
<p>4/03/2021 - A direct deposit of \$8,776.00 was incorrectly entered into the Cash Receipts Journal and posted to the ledger.</p>	<p>Incorrect Posting Subsidiary Ledger</p> <table border="1" data-bbox="494 347 1428 459"> <thead> <tr> <th colspan="8">Swinging Dance Studio - MMR002</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1/02/2021</td> <td>balance b/d</td> <td></td> <td>8,776.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1/03/2021</td> <td>balance b/d</td> <td></td> <td>8,776.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>4/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>8,766.00</td> </tr> </tbody> </table> <p>Corrected Posting Subsidiary Ledger</p> <table border="1" data-bbox="494 492 1412 616"> <thead> <tr> <th colspan="8">Swinging Dance Studio - MMR002</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1/02/2021</td> <td>balance b/d</td> <td></td> <td>8,776.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1/03/2021</td> <td>balance b/d</td> <td></td> <td>8,776.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>4/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>8,776.00</td> </tr> </tbody> </table> <p>Checked the balance outstanding in the accounts receivable subsidiary ledger against the amount paid. Reviewed source documents – invoice, remittance advice. Corrected amount received in Cash Receipts Journal and amount posted to the:</p> <ul style="list-style-type: none"> • Accounts Receivable Subsidiary Ledger • Accounts Receivable Control Account • Bank Ledger account. 	Swinging Dance Studio - MMR002								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	1/02/2021	balance b/d		8,776.00					1/03/2021	balance b/d		8,776.00									4/03/2021	Cash at bank	CRJ0321	8,766.00	Swinging Dance Studio - MMR002								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	1/02/2021	balance b/d		8,776.00					1/03/2021	balance b/d		8,776.00									4/03/2021	Cash at bank	CRJ0321	8,776.00																																																
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<p>05/03/2021 - A cheque from Sydney Makeup has been applied to the account of Sydney Makeup in the subsidiary ledger.</p>	<p>Incorrect Posting Subsidiary Ledger</p> <table border="1" data-bbox="494 963 1444 1164"> <thead> <tr> <th colspan="8">Sydney Makeover - MMR004</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>29/03/2021</td> <td>Sales</td> <td>SJ03</td> <td>150.00</td> <td>5/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>4,789.56</td> </tr> <tr> <td></td> <td>GST Payable</td> <td>SJ03</td> <td>15.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="494 1086 1444 1164"> <thead> <tr> <th colspan="8">Sydney Makeup - MMR005</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1/03/2021</td> <td>balance b/d</td> <td></td> <td>4,789.56</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Correct Posting Subsidiary Ledger</p> <table border="1" data-bbox="494 1232 1460 1467"> <thead> <tr> <th colspan="8">Sydney Makeover - MMR004</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>29/03/2021</td> <td>Sales</td> <td>SJ03</td> <td>150.00</td> <td>5/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>4,789.56</td> </tr> <tr> <td></td> <td>GST Payable</td> <td>SJ03</td> <td>15.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>4,789.56</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="494 1400 1444 1467"> <thead> <tr> <th colspan="8">Sydney Makeup - MMR005</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1/03/2021</td> <td>balance b/d</td> <td></td> <td>4,789.56</td> <td>5/03/2021</td> <td>Cash at bank</td> <td>CRJ0321</td> <td>4,789.56</td> </tr> </tbody> </table> <p>Checked the balance outstanding in the accounts receivable subsidiary ledger against the amount paid. Contacted the customer to confirm if a payment was made in error. Reviewed source documents – invoice, remittance advice. 05/03/2021 Reversed posting in the Sydney Makeover - MMR004 Subsidiary ledger and post payment to Sydney Makeup – MMR005</p>	Sydney Makeover - MMR004								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	29/03/2021	Sales	SJ03	150.00	5/03/2021	Cash at bank	CRJ0321	4,789.56		GST Payable	SJ03	15.00													Sydney Makeup - MMR005								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	1/03/2021	balance b/d		4,789.56					Sydney Makeover - MMR004								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	29/03/2021	Sales	SJ03	150.00	5/03/2021	Cash at bank	CRJ0321	4,789.56		GST Payable	SJ03	15.00					5/03/2021	Cash at bank	CRJ0321	4,789.56					Sydney Makeup - MMR005								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	1/03/2021	balance b/d		4,789.56	5/03/2021	Cash at bank	CRJ0321	4,789.56
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<p>18/03/2021 - A dishonoured cheque from D & K Jones was not entered in the Cash Receipts Journal.</p>	<p>Incorrect Posting Subsidiary Ledger</p> <table border="1" data-bbox="494 1780 1476 1960"> <thead> <tr> <th colspan="8">D & K Jones - MMR006</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>Folio</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>18/02/2021</td> <td>Sales</td> <td>SJ03</td> <td>2,590.91</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>GST Payable</td> <td>SJ03</td> <td>259.09</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2,850.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1/03/2021</td> <td>balance b/d</td> <td></td> <td>2,850.00</td> <td>12/03/2021</td> <td>Cash at Bank</td> <td>CRJ0321</td> <td>2,707.50</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Discount Allowed</td> <td>CRJ0321</td> <td>129.55</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>GST Payable</td> <td>CRJ0321</td> <td>12.95</td> </tr> </tbody> </table> <p>Correct Posting Subsidiary Ledger</p>	D & K Jones - MMR006								Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount	18/02/2021	Sales	SJ03	2,590.91						GST Payable	SJ03	259.09								2,850.00					1/03/2021	balance b/d		2,850.00	12/03/2021	Cash at Bank	CRJ0321	2,707.50						Discount Allowed	CRJ0321	129.55						GST Payable	CRJ0321	12.95																																																																
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D & K Jones - MMR006							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
18/02/2021	Sales	SJ03	2,590.91				
	GST Payable	SJ03	259.09				
			<u>2,850.00</u>				
1/03/2021	balance b/d		2,850.00	12/03/2021	Cash at Bank	CRJ0321	2,707.50
19/03/2021	Cash at Bank	CRJ0321	2,707.50		Discount Allowed	CRJ0321	129.55
	Discount Allowed	CRJ0321	129.55		GST Payable	CRJ0321	12.95
	GST Payable	CRJ0321	12.95				

Reversed the entry in the Cash Receipts Journal.
 Reversed the entry in the subsidiary ledger of D & K Jones.
 Adjusted the amount posted to the following:

- Accounts Receivable Control Account
- GST Payable Ledger
- Discount Allowed Ledger
- Cash at Bank Ledger

Contacted customer to discuss dishonoured cheque.
 Highlighted the discrepancy on the statement of account sent to the customer.

19/03/2021 – Pamper Party Pty Ltd. Incorrectly recorded in the Sales column of the Cash Receipts Journal

Corrected Cash Receipts Journal by removing the amount paid from the Sales column and including it in the Accounts Receivable Control column. Post payment to Pamper Party Pty Ltd – MMR011 Subsidiary Ledger and amended amounts posted to the:

- Sales Ledger.
- Account Receivable Control Account

Corrected Posting Subsidiary Ledger

Pamper Party Pty Ltd - MMR011							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
5/03/2021	Sales	SJ02	1,124.92	19/03/2021	Cash at Bank	CRJ0321	1175.54
	GST Payable	SJ02	112.49		Discount Allowed	CRJ0321	56.25
					GST Payable	CRJ0321	5.62

31/03/2021 - Transaction not recorded in the Cash Receipts Journal and the amount paid is the GST excluded amount.

Posting Subsidiary Ledger

P & K Pty Ltd - MMR010							
Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
25/02/2021	Sales	SJ02	1,369.50				
	GST Payable	SJ02	136.95				
			<u>1,506.45</u>				
1/03/2021	balance b/d		1,506.45	31/03/2021	Cash at Bank	CRJ0321	1,369.50

Record the transaction in Cash Receipts Journal.
 Checked the invoice to confirm the GST has been calculated correctly.
 Contacted the customer to discuss the discrepancy.
 Highlighted the discrepancy on the statement of account sent to the customer.

Post to P & K Pty Ltd Subsidiary Ledger and amend amounts posted to

- Account Receivable Control Account

Cash at Bank Ledger

Task 2 Resolve discrepancies and correct errors


For this assessment task, you are required to resolve the errors identified between Mel's Makeup Pty Ltd's Bank Statement, Cash Receipts Journal and Accounts Receivable Subsidiary Ledger. Ensure you refer to and follow Mel's Makeup Finance Policies & Procedures.

Resources and Equipment Required

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- [Mel's Makeup Finance Policies & Procedures](#)
- [Bank Statement March 2021](#)
- [A2 Excel Workbook \(Tab 1 & 2\)](#)

Candidates Instructions

To complete this task, read the below email from Andrew Black and action his request.

	To:	Patresia Florence (p.florence@acefinance.com.au)
	From:	Andrew Black (a.black@acefinance.com.au)
	Date/time:	Tuesday, 16 April 2021, 1:15 p.m.
	Subject:	Mel's Makeup Accounts Receivable


Hi Patresia,

Melissa has asked if we can amend the identified discrepancies between the March 2021 bank statement, Cash Receipts Journal and Accounts Receivable Subsidiary Ledger (Tasks 1b, 1c).

Please action her request and update the Cash Receipts Journal ([A2 Excel Workbook Tab 1](#)) and Accounts Receivable Subsidiary Ledger ([A2 Excel Workbook Tab 2](#))

Once you have completed each task, save the assessment workbook so that your work is saved

Kind Regards,



Andrew Black
Director – ACE Finance
PO Box 298 Geebung Qld, 4220
Phone: 1800 111 222
www.ace.finance.com.au

MARKING GUIDE

Candidates must correct the errors they identified in the Cash Receipts Journal and Accounts Receivable Subsidiary Ledger. The candidate's response must match the benchmark answer provided. Changes that must be made have been highlighted.

Corrected Cash Receipts Journal



Cash Receipts Journal

CRJ0321

Date	Details	Folio	Receipt #	GST Adj	Discount Allowed	Bank	GST Payable	Accounts Receivable Control	Sales	Sundries
1/03/2021	EFTPOS Settlement 0103					2,775.45	252.31		2,523.14	
2/03/2021	EFTPOS Settlement 0203					4,595.85	417.80		4,178.05	
3/03/2021	EFTPOS Settlement 0303					2,346.00	213.27		2,132.73	
4/03/2021	EFTPOS Settlement 0403					1,264.50	114.95		1,149.55	
	J P Hip Pty Ltd	MMR001	1021	11.22	112.23	2,345.50		2,468.95		
	Swinging Dance Studio	MMR002	1022			8,776.00		8,776.00		
5/03/2021	EFTPOS Settlement 0503					2,650.00	240.91		2,409.09	
	Branch Deposit cash & cheques		BBD2890			9,865.79	435.50		4,355.00	
	- Jack & Jill Photography	MMR003	1023	1.37	13.67			300.77		
	- Sydney Makeup	MMR004	1024					4,789.56		
8/03/2021	EFTPOS Settlement 0803					979.00	89.00		890.00	
9/03/2021	EFTPOS Settlement 0903					2,768.95	251.72		2,517.23	
10/03/2021	EFTPOS Settlement 1003					5,410.15	491.83		4,918.32	
11/03/2021	EFTPOS Settlement 1103					2,453.20	223.02		2,230.18	
12/03/2021	EFTPOS Settlement 1203					2,398.00	218.00		2,180.00	
	Branch Deposit cash & cheques		BBD2891			7,094.03	336.50		3,365.00	
	- D & K Jones	MMR006	1025	12.95	129.55			2,850.00		
	- Fiona's Face Painting	MMR007	1026					685.03		
15/03/2021	EFTPOS Settlement 1503					3,119.05	283.55		2,835.50	
16/03/2021	EFTPOS Settlement 1603					1,296.55	117.87		1,178.68	
17/03/2021	EFTPOS Settlement 1703					2,234.95	203.18		2,031.77	
	AA Theatre Company	MMR008	1027			696.00		696.00		
18/03/2021	EFTPOS Settlement 1803					1,987.45	180.68		1,806.77	
18/03/2021	Dishonoured Cheque - D & K Jones	MMR006	1025	- 12.95	- 129.55	- 2,707.50		- 2,850.00		
19/03/2021	EFTPOS Settlement 1903					2,342.55	212.96		2,129.59	
	Branch Deposit cash & cheques		BBD2892			4,522.05	186.55		1,865.50	
	- Superheroes Party Hire	MMR009	1028					1,294.46		
	- Pamper Party Pty Ltd	MMR011	1029	5.62	56.25			1,237.41		
22/03/2021	EFTPOS Settlement 2203					987.95	89.81		898.14	
23/03/2021	EFTPOS Settlement 2303					1,987.45	180.68		1,806.77	
24/03/2021	EFTPOS Settlement 2403					2,345.90	213.26		2,132.64	
25/03/2021	EFTPOS Settlement 2503					965.35	87.76		877.59	
26/03/2021	EFTPOS Settlement 2603					1,887.55	171.60		1,715.95	
	Branch Deposit cash & cheques		BBD2892			3,045.92	112.50		1,125.00	
	- Blossom Makeup	MMR012	1030	1.66	16.59			365.00		
	- Wedding Hair & Makeup	MMR013	1031	2.66	26.59			585.00		
	- ABC Amateur Theatre	MMR014	1032	4.33	43.35			953.60		
29/03/2021	EFTPOS Settlement 2903					3,412.50	310.23		3,102.27	
30/03/2021	EFTPOS Settlement 3003					2,345.90	213.26		2,132.64	
31/03/2021	EFTPOS Settlement 3103					2,323.30	211.21		2,112.09	
	Portraits by Paul	31/03/202	1034			2,985.50		2,985.50		
	P & K Pty Ltd	MMR010				1,369.50		1,369.50		
	Interest					37.50				37.50
	Totals			26.86	268.68	92,907.84	6,059.91	26,506.78	60,599.19	37.50

Corrected Accounts Receivable Subsidiary Ledger



Accounts Receivable Subsidiary Ledger

J P Hip Pty Ltd - MMR001

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
27/02/2021	Sales		2,244.50				
	GST Payable		224.45				
			<u>2,468.95</u>				
1/03/2021	balance b/d		2,468.95	4/03/2021	Cash at bank	CRJ0321	2,345.50
					Discount Allowed	CRJ0321	112.23
					GST Payable	CRJ0321	11.22

Swinging Dance Studio - MMR002

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		8,776.00				
1/03/2021	balance b/d		8,776.00	4/03/2021	Cash at bank	CRJ0321	8,776.00

Jack and Jill Photography - MMR003

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
28/02/2021	Sales		273.43				
	GST Payable		27.34				
			<u>300.77</u>				
1/03/2021	balance b/d		300.77	5/03/2021	Cash at bank	CRJ0321	285.73
15/03/2021	Sales	SJ03	265.00		Discount Allowed	CRJ0321	13.67
	GST Payable	SJ03	26.50		GST Payable	CRJ0321	1.37

Sydney Makeover - MMR004

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
29/03/2021	Sales	SJ03	150.00	5/03/2021	Cash at bank	CRJ0321	4,789.56
	GST Payable	SJ03	15.00				
			<u>4,789.56</u>				

Sydney Makeup - MMR005

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		4,789.56	5/03/2021	Cash at bank	CRJ0321	4,789.56

D & K Jones - MMR006

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
18/02/2021	Sales	SJ03	2,590.91				
	GST Payable	SJ03	259.09				
			<u>2,850.00</u>				
1/03/2021	balance b/d		2,850.00	12/03/2021	Cash at Bank	CRJ0321	2,707.50
18/03/2021	Cash at Bank	CRJ0321	2,707.50		Discount Allowed	CRJ0321	129.55
	Discount Allowed	CRJ0321	129.55		GST Payable	CRJ0321	12.95
	GST Payable	CRJ0321	12.95				

Fiona's Face Painting - MMR007

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		1,285.03				
1/03/2021	balance b/d		1,285.03	12/03/2021	Cash at Bank	CRJ0321	685.03

AA Theatre Company - MMR008

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		696.00	17/03/2021	Cash at Bank	CRJ0321	696.00

Superheroes Party Hire - MMR009

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/03/2021	balance b/d		1,294.46	19/03/2021	Cash at Bank	CRJ0321	1,294.46

Pamper Party Pty Ltd - MMR011

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
5/03/2021	Sales	SJ02	1,124.92	19/03/2021	Cash at Bank	CRJ0321	1175.54
	GST Payable	SJ02	112.49		Sales Discount	CRJ0321	56.25
					GST Payable	CRJ0321	5.62

Blossom Makeup - MMR012

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
5/03/2021	Sales	SJ02	331.82	26/03/2021	Cash at Bank	CRJ0321	346.75
	GST Payable	SJ02	33.18		Sales Discount	CRJ0321	16.59
					GST Payable	CRJ0321	1.66

Wedding Hair & Makeup - MMR013

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
8/03/2021	Sales	SJ02	531.82	26/03/2021	Cash at Bank	CRJ0321	555.75
	GST Payable	SJ02	53.18		Sales Discount	CRJ0321	26.59
					GST Payable	CRJ0321	2.66

ABC Amateur Theatre - MMR014

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
12/03/2021	Sales	SJ02	866.91	26/03/2021	Cash at Bank	CRJ0321	905.92
	GST Payable	SJ02	86.69		Sales Discount	CRJ0321	43.35
					GST Payable	CRJ0321	4.33

Portraits by Paul - MMR015

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		2,985.50				
1/03/2021	balance b/d		2,985.50	12/03/2021	Cash at Bank	CRJ0321	2,985.50

Paint Your Face- MMR016

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		4,595.50				
1/03/2021	balance b/d		4,595.50				

Samantha K's Dance School - MMR017

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		7,554.95				
1/03/2021	balance b/d		7,554.95				

Action Training College - MMR018

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		10,115.25				
1/03/2021	balance b/d		10,115.25				

ALK Pty Ltd - MMR019

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
1/02/2021	balance b/d		8.00				
1/03/2021	balance b/d		8.00				

MT Paris Theatre Company - MMR020

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	980.00				
	GST Payable	SJ03	98.00				

Task 1a

Spencer & Clive Pty Ltd - MMR021

Date	Particulars	Folio	Amount	Date	Particulars	Folio	Amount
31/03/2021	Sales	SJ03	1,254.09	31/03/2021	Sales Returns & Adjust	SRAJ03	227.27
	GST Payable	SJ03	125.41		GST Payable	SRAJ03	22.73

Task 1a

Task 3 Identify bad and doubtful debts


For this assessment task, you are required to **review Mel's Makeup Pty Ltd's debtor ledger**, identify at-risk or in default accounts and action Mel's **Makeups policies and procedures** for monies outstanding that constitute a breach of their credit policy.

Resources and Equipment Required

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- [Mel's Makeup Finance Policies & Procedures](#)
- [Bank Statement March 2021](#)
- [A2 Excel Workbook \(Tab 3,4 & 5\)](#)

Candidates Instructions

To complete this task, read the below email from Andrew Black and action his request.

	To:	Patresia Florence (p.florence@acefinance.com.au)
	From:	Andrew Black (a.black@acefinance.com.au)
	Date/time:	Tuesday, 16 April 2021, 4:15 p.m.
	Subject:	Identify bad and doubtful debts
Hi Patresia,		
Great work in identifying the errors in the cash receipts journal. Now that all the transactions have been corrected and posted to the subsidiary ledgers, could you prepare the following:		
<ol style="list-style-type: none">A Reconciliation Statement for 31 March 2021 that demonstrates the accounts receivable subsidiary ledger reconciles to the accounts receivable control account. (FNSACC322_02_Case Study_A2 Excel Workbook Tab 3)A Statement of Account for D & K Jones and P & K Pty Ltd as at the end of March 2021 that verifies outstanding amounts and adheres to Mel's Makeup's accounts receivable procedure. (FNSACC322_02_Case Study_A2 Excel Workbook Tab 4)An Aged Receivables Summary report to the end of March 2021. (FNSACC322_02_Case Study_A2 Excel Workbook Tab 5)		
Melissa has sent through the following Aged Receivables Summary report to the end of February and a screenshot of her balance sheet at the end of March 2021. She has confirmed the accounts receivable control account balance at the end of February was \$49,226.42.		

Aged Receivables Summary

Mel's Makeup
As at 28 February 2021

Account	Ledger No.	Total	Current	< 1 Month	1 Month	2 Months	3 Months	Older
J P Hip Pty Ltd	MMR001	2,468.95	2,468.95					
Swinging Dance Studio	MMR002	8,776.00				8,776.00		
Jack and Jill Photography	MMR003	300.77	300.77					
Sydney Makeup	MMR005	4,789.56			4,789.56			
D & K Jones	MMR006	2,850.00	2,850.00					
Fiona's Face Painting	MMR007	1,285.03			1,285.03			
AA Theatre Company	MMR008	696.00		696.00				
Superheroes Party Hire	MMR009	1,294.46		1,294.46				
P & K Pty Ltd	MMR010	1,506.45	1,506.45					
Portraits by Paul	MMR015	2,985.50				2,985.50		
Paint your Face	MMR016	4,595.50						4,595.50
Samantha K's Dance School	MMR017	7,554.95						7,554.95
Action Training College	MMR018	10,115.25						10,115.25
ALK Pty Ltd	MMR019	8.00				8.00		
Totals		49,226.42	7,126.17	1,990.46	6,074.59	11,769.50	0.00	22,265.70

MEL'S MAKEUP PTY LTD
200 Main Street Sydney NSW 2000
02 3298 6272

Balance sheet report
Accrual mode
31 Mar 2021

	Total
1-0000 Assets	
1-1000 Current Assets	
1-1100 Bank Accounts	
1-1110 Westpac Trading Account	3,797.69
1-1115 Westpac Business Saver	25,035.14
1-1130 Cash Drawer	700.00
1-1140 Petty Cash	220.00
Total Bank Accounts	29,752.83
1-1200 Accounts Receivable	28,524.65
1-1320 Inventory Stock on Hand	285,500.00
1-1321 Inventory Stage Makeup	108,980.00
1-1970 Prepaid Expenses	7,741.77
Total Current Assets	460,499.25
1-1962 Deposits To Suppliers	3,500.00
1-2100 Property, Plant & Equipment	
1-2110 Office Equipment	21,200.00
1-2120 Accum. Depr. Office Equipment	(8,685.50)
1-2210 Motor Vehicles	108,110.00
1-2220 Accum. Depr Motor Vehicles	(15,805.04)
1-2310 Shop Fixtures & Fittings	43,790.70
1-2320 Accum. Depr. Shop Fixtures & Fittings	(11,254.07)
Total Property, Plant & Equipment	137,356.09
Total Assets	601,355.34

Once you have completed each task, save the assessment workbook so that your work is saved.

Kind regards




Andrew Black
 Director – ACE Finance
 PO Box 298 Geebung Qld, 4220
 Phone: 1800 111 222
www.ace.finance.com.au

MARKING GUIDE

- a. Additional Information for assessor
Mel's Makeup accounts receivable policy states:

The Accounts Receivable Control Ledger is to equal the Accounts Receivable Subsidiary Ledgers for all customers. To ensure accuracy, monthly reconciliations are to be completed between the Accounts Receivable Subsidiary Ledgers for the customers and the Accounts Receivable Control Ledger.

The candidate must produce an Accounts Receivable Reconciliation Statement that matches the benchmark responses provided below.

		<h3>Accounts Receivable Reconciliation Statement</h3>	
Account	Ledger No.	Total	
Jack and Jill Photography	MMR003	\$291.50	
Sydney Makeover	MMR004	\$165.00	
D & K Jones	MMR006	\$2,850.00	
Fiona's Face Painting	MMR007	\$600.00	
P & K Pty Ltd	MMR010	\$136.95	
Paint Your Face	MMR016	\$4,595.50	
Samantha K's Dance School	MMR017	\$7,554.95	
Action Training College	MMR018	\$10,115.25	
ALK Pty Ltd	MMR019	\$8.00	
MT Paris Theatre Company	MMR020	\$1,078.00	
Spencer & Clive Pty Ltd	MMR021	\$1,129.50	
Balance Accounts Receivable Subsidiary Ledger		\$28,524.65	
Balance as per Accounts Receivable Control Account		\$28,524.65	

- b. Additional Information for assessor

Mel's Makeup accounts receivable policy states:

Statements of Accounts

Statements of accounts are to be sent monthly to all customers with an outstanding balance due. The statement should indicate the total balance owing and identify a payment due date. Statements of accounts for customers with an outstanding balance past the due date must include the following note.

Note to Customer

We understand that oversights happen, but we would appreciate prompt payment of this amount. Could you please let our accounts department accounts@melsmakeup.com know when we can expect payment? If payment has already been made, please disregard this email. If you believe an error has been made, don't hesitate to contact our accounts department to discuss the matter.
Thanks in advance for your cooperation.

If full payment is not received, the procedures outlined in the Debt Management Policy and Customer Credit Limit Policy are to be followed.

The candidate must produce Statements of Account for P & K Pty Ltd and D & K Jones that matches the benchmark responses provided below.



Statement From Date: 1/03/2021

Mel's Makeup
200 Main Street
SYDNEY NSW 2000

Statement To Date: 31/03/2021

STATEMENT OF ACCOUNT

To: P & K Pty Ltd

Date	Activity	Due Date	Invoice Amount	Payments	Balance AUD
1-Mar-21	Opening Balance				1,506.45
31-Mar-21	Payment on Invoice			1,369.50	
BALANCE DUE AUD					\$ 136.95

NOTE TO CUSTOMER

We understand that oversights happen but would appreciate prompt payment of the amount.

Could you please let our accounts department accounts@melmakeup.com.au know when we can expect payment?

If payment has already been made, please disregard this email. If you believe an error has been made, don't hesitate to contact our accounts department to discuss.

Thanks in advance for your cooperation.

When paying by cheque, please complete this payment advice, detach and post to the address provided.

Online payment preferred - use our account 027-000 20-00001 or use the 'Pay online now' link to pay via PayPal with your credit card.



PAYMENT ADVICE

Overdue	Current	Total AUD Due
136.95		136.95

To: Mel's Makeup
Attention: Melissa
200 Main Street
SYDNEY NSW 2000

Amount Enclosed:

Customer: P & K Pty Ltd



Statement From Date 1/03/2021

Statement To Date: 31/03/2021

Mel's Makeup
200 Main Street
SYDNEY NSW 2000

STATEMENT OF ACCOUNT

To: D & K Jones

Date	Activity	Due Date	Invoice Amount	Payments	Balance AUD
1-Mar-21	Opening Balance				2,850.00
12-Mar-21	Prompt payment discount (CR Invoice)		-142.50		2,707.50
12-Mar-21	Payment on invoice # MM1043			-2,707.50	0.00
18-Mar-21	Payment reversed (Dishonoured cheque)		2,707.50		2,707.50
18-Mar-21	Prompt payment discount reversed		142.50		2,850.00
BALANCE DUE AUD					\$ 2,850.00

NOTE TO CUSTOMER

We understand that oversights happen but would appreciate prompt payment of this amount.

Could you please let our accounts department accounts@melsmakeup.com.au know when we can expect payment?

If payment has already been made, please disregard this email. If you believe an error has been made, don't hesitate to contact our accounts department to discuss.

Thanks in advance for your cooperation.

When paying by cheque, please complete this payment advice, detach and post to the address provided.

Online payment preferred - use our account 027-000 20-00001 or use the 'Pay online now' link to pay via PayPal with your credit card.

✂-----

PAYMENT ADVICE

Overdue	Current	Total AUD Due
2,850.00		2,850.00

To: Mel's Makeup
Attention: Melissa
200 Main Street
SYDNEY NSW 2000

Amount Enclosed:

Customer: D & K Jones

c. Additional Information for assessor

Mel's Makeup accounts receivable policy states:

Reporting Accounts Receivables

Monthly – The accounts department must generate an Accounts Receivable Aging Report at the month's end. A copy of the Accounts Receivable Aging Report will be submitted to the Finance Manager within five (5) working days of the month's end to review.

The candidates must produce an Aged Receivables Summary report that matches the benchmark answer below.



Aged Receivables Summary

As at 31 March 2021

Account	Ledger No.	Total	Current	< 1 Month	1 Month	2 Months	3 Months	Older
Jack and Jill Photography	MMR003	291.50	291.50					
Sydney Makeover	MMR004	165.00	165.00					
D & K Jones	MMR006	2,850.00			2,850.00			
Fiona's Face Painting	MMR007	600.00				600.00		
P & K Pty Ltd	MMR010	136.95			136.95			
Paint your Face	MMR016	4,595.50						4,595.50
Samantha K's Dance School	MMR017	7,554.95						7,554.95
Action Training College	MMR018	10,115.25						10,115.25
ALK Pty Ltd	MMR019	8.00					8.00	
MT Paris Theatre Company	MMR020	1,078.00	1,078.00					
Spencer & Clive Pty Ltd	MMR021	1,129.50	1,129.50					
Totals		28,524.65	2,664.00	0.00	2,986.95	600.00	8.00	22,265.70

Task 4 Contact clients and request payment


For this assessment task, you are required to contact clients who are at risk or in default of their accounts and come to an agreement on arrangements for payment of outstanding monies. Ensure you refer to and follow Mel's Makeup Finance Policies & Procedures.

Resources and Equipment Required

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- [Mel's Makeup Finance Policies & Procedures](#)
- Invoice P&K Pty Ltd
- Invoice D&K Jones

Candidates Instructions

To complete this task, read the below email from Andrew Black and action his request.

	To:	Patresia Florence (p.florence@acefinance.com.au)
	From:	Andrew Black (a.black@acefinance.com.au)
	Date/time:	Wednesday, 17 April 2021, 11:15 a.m.
	Subject:	Identify bad and doubtful debts for Mel's Makeup

Hi Patresia,

I have spoken to Melissa this morning. She is currently recruiting a Finance Manager for Mel's Makeup and has asked us to take on this role until a replacement is found. Mel has asked if we can contact the following customers and discuss payment of outstanding monies.

- D & K Jones - Kerry Jones k.jones@gmail.com
- P & K Pty Ltd - Philip Paul accounts@pandkpl.com.au

Review the following invoices and the statement of accounts you created in task 3b:

- [Invoice P&K Pty Ltd](#)
- [Invoice D&K Jones](#)

Draft and email to each customer using the templates below that:

- explains why the payments they made in March have not cleared the balance owing on their account and
- requests payment of outstanding amounts
- include at least one payment option
- includes a screenshot of any supporting documents in the body of the email.

Kind regards



Andrew Black
Director – ACE Finance
PO Box 298 Geebung Qld, 4220
Phone: 1800 111 222

www.ace.finance.com.au

Marking Guide

Candidates must draft an email to Kerry Jones (D & K Jones) at k.jones@gmail.com and Philip Paul (P & K Pty Ltd) at accounts@pandkpl.com.au explaining why the payments they made in March have not cleared the balance owing on their accounts and requests payment of outstanding amounts. The response provided must include at least one payment option and a screenshot of any supporting documents in the body of the email.

The responses provided by the candidate must reflect the benchmark answers below.

Email Template (Approximately 140 – 160 words)	
To:	Kerry Jones k.jones@gmail.com
From:	Patresia Florence p.florence@acefinance.com.au
Subject:	Outstanding account
<p>Good afternoon Kerry,</p> <p>My name is Patresia Florence. Melissa Murray from Mel's Makeup Pty Ltd has engaged me to assist in managing their accounts.</p> <p>I am contacting you to discuss the payment you made on 12 March 2021. Unfortunately, the cheque was dishonoured by the bank on 18 March 2021.</p> <p>I have included a copy of the invoice and your March statement, which identifies the cheque payment you made and the reversal of the payment.</p> <p>The records indicate the invoice is now overdue, with a balance of \$2,850.00 currently owed. It would be greatly appreciated if you could organise payment of this invoice immediately. Online payment is the preferred payment method. Mel's Makeup account details are as follows:</p> <ul style="list-style-type: none">• Account Name: MEL'S MAKEUP PTY LTD• BSB:027-000• Account No: 20-00001 <p>If you have any questions, please don't hesitate to reach out.</p>	

MEL'S MAKEUP PTY LTD

200 Main Street Sydney NSW 2000
 Phone: 02 3298 6272
 accounts@melsmakeup.com.au
 http://melsmakeup.com.au
 ABN: 26 006 672 179

**Tax invoice**

Invoice number: 1234498 Issue date: 28/02/2021 Due date: 30/03/2021

Bill to:

Kerry Jones
 D & K Jones
 60 GABO CREB
 SADLER NSW 2168
 Australia

Item ID	Description	Units	Unit price (\$)	Tax	Amount (\$)
	Foundation	each	10	10.50 GST	105.00
	Moisturiser	each	15	35.00 GST	525.00
	Makeup		1	1,550.00 GST	1,550.00
	Face Wipes		1	670.00 GST	670.00

Notes:

Thank you for your business.
 We would like to remind you our payment terms are 30 days from the date of the invoice. If you pay the invoice within 7 days from the date of the invoice a 5% discount will be applied.

Tax: \$209.08
 Total Amount (incl. tax): \$2,850.00
 Total paid: \$0.00
Balance due: \$2,850.00

View your invoice online

[Click here to view](#)

How to pay Due date: 30/03/2021**View your invoice online**

Scan the QR code or click the link above to view this invoice online.

**Bank deposit via EFT**

Bank: WESTPAC
 Name: MEL'S MAKEUP PTY LTD
 BSB: 027000
 AC# 2000001
 Ref# 1234498



Statement From Date: 1/03/2021

Mel's Makeup
200 Main Street
SYDNEY NSW 2000

Statement To Date: 31/03/2021

STATEMENT OF ACCOUNT

To: D & K Jones

Date	Activity	Due Date	Invoice Amount	Payments	Balance AUD
1-Mar-21	Opening Balance				2,850.00
12-Mar-21	Prompt payment discount (CR Invoice)		-142.50		2,707.50
12-Mar-21	Payment on invoice # MM1043			-2,707.50	0.00
18-Mar-21	Payment reversed (Dishonoured cheque)		2,707.50		2,707.50
18-Mar-21	Prompt payment discount reversed		142.50		2,850.00
BALANCE DUE AUD					\$ 2,850.00

NOTE TO CUSTOMER

We understand that overights happen but would appreciate prompt payment of this amount.
 Could you please let our accounts department accounts@melismakeup.com.au know when we can expect payment?
 If payment has already been made, please disregard this email. If you believe an error has been made, don't hesitate to contact our accounts department to discuss.
Thanks in advance for your cooperation.

When paying by cheque, please complete this payment advice, detach and post to the address provided.

credit card.

PAYMENT ADVICE

Overdue	Current	Total AUD Due
2,850.00		2,850.00

To: Mel's Makeup
 Attention: Melissa
 200 Main Street
 SYDNEY NSW 2000

Amount Enclosed: _____
 Customer: D & K Jones

Kind regards



Patricia Florence
 Trainee Accountant - ACE Finance
 PO Box 298 Geebung Qld, 4220
 Phone: 1800 111 222
www.ace.finance.com.au

Email Template (Approximately 140 – 160 words)

To: Philip Paul accounts@pandkpl.com.au
 From: Patresia Florence p.florence@acefinance.com.au
 Subject: Outstanding account

Good afternoon Philip Paul

My name is Patresia Florence. I have been engaged by Melissa Murray from Mel's Makeup Pty Ltd to assist in managing their accounts.

I am contacting you to discuss your payment made on 31 March 2021. On this date, the amount outstanding was \$1,506.45. The amount paid was \$1,369.50, A difference of \$136.95, which appears to be the GST amount.

I have included a copy of the invoice and the March statement, which identifies your payment and the amount outstanding.

It would be greatly appreciated if you could organise payment of the outstanding amount. Online payment is the preferred payment method. **Mel's Makeup's bank** account details are as follows:

- Account Name: MEL'S MAKEUP PTY LTD
- BSB:027-000
- Account No: 20-00001

If you have any questions, please don't hesitate to reach out.

MEL'S MAKEUP PTY LTD

200 Main Street Sydney NSW 2000
Phone: 02 3298 6272
accounts@melsmakeup.com.au
http://melsmakeup.com.au
ABN: 26 008 672 179



Tax invoice

Invoice number	Issue date	Due date
1234456	28/02/2021	30/03/2021

Bill to
Philip Paul
P & K Pty Ltd
87 WADE ST
CROOKWELL NSW 2583
Australia

Item ID	Description	Units	Unit price (\$) including tax	Tax	Amount (\$) including tax
	Makeup Wipes & Brushes	1	1,506.45	GST	1,506.45

Notes

Thank you for your business.
We would like to remind you our payment terms are 30 days from the date of the invoice. If you pay the invoice within 7 days from the date of the invoice a 5% discount will be applied.

Tax	\$136.95
Total Amount (inc. tax)	\$1,506.45
Total paid	\$1,369.50
Balance due	\$136.95

View your invoice online

[Click here to view](#)

How to pay Due date: 30/03/2021

View your invoice online

Scan the QR code or click the link above to view this invoice online.



Bank deposit via EFT

Bank WESTPAC
Name MEL'S MAKEUP PTY LTD
BSB 027000
AC# 2000001
Ref# 1234456



Statement From Date: 1/03/2021

Statement To Date: 31/03/2021

Mel's Makeup
200 Main Street
SYDNEY NSW 2000

STATEMENT OF ACCOUNT

To: P & K Pty Ltd

Date	Activity	Due Date	Invoice Amount	Payments	Balance AUD
1-Mar-21	Opening Balance				1,306.45
31-Mar-21	Payment on Invoice			1,369.30	
BALANCE DUE AUD					\$ 136.95

NOTE TO CUSTOMER

We understand that overights happen but would appreciate prompt payment of this amount.
 Could you please let our accounts department accounts@melismakeup.com.au know when we can expect payment?
 If payment has already been made, please disregard this email. If you believe an error has been made, don't hesitate to contact our accounts department to discuss.
 Thanks in advance for your cooperation.

When paying by cheque, please complete this payment advice, detach and post to the address provided.
 Online payment preferred - use our account 027-000 20-0001 or use the 'Pay online now' link to pay via PayPal with your credit card.

PAYMENT ADVICE

To: Mel's Makeup
 Attention: Melissa
 200 Main Street
 SYDNEY NSW 2000

Overdue	Current	Total AUD Due
136.95		136.95

Amount Enclosed:

Customer: P & K Pty Ltd

Kind regards



Patricia Florence
 Trainee Accountant - ACE Finance
 PO Box 298 Geebung Qld, 4220
 Phone: 1800 111 222

www.ace.finance.com.au

Task 5 Plan recovery action for bad debts

For this assessment task, you must review all previous activities and communication with customers to establish the adequacy of follow-up procedures and determine whether all usual organisational recovery avenues have been exhausted. You must then develop a plan to pursue debt recovery or initiate legal action.


Ensure you refer to and follow Mel's Makeup Finance Policies & Procedures.

Resources and Equipment Required

- Access to learning materials on the learning portal
- Access to a computer, the internet and email
- [Mel's Makeup Finance Policies & Procedures](#)
- [Overdue Accounts Receivable Communications Log](#)
- [Invoice Fiona's Face Painting](#)
- [Invoice Paint your Face](#)
- [Invoice Action Training College](#)

Candidates Instructions

To complete this task, read the below email from Andrew Black and action his request.

	To:	Patresia Florence (p.florence@acefinance.com.au)
	From:	Andrew Black (a.black@acefinance.com.au)
	Date/time:	Wednesday, 17 April 2021, 03:15 p.m.
	Subject:	Plan Debt recovery
	File Attached:	Overdue Accounts Receivable Log Invoice Fiona's Face Painting Invoice Paint Your Face Invoice Action Training College
<p>Hi Patresia,</p> <p>Melissa has asked if we can chase three outstanding invoices. I have attached a copy of the invoices and Mel's Makeup's Overdue Accounts Receivable Log, which contains a record of all previous contact with the customers.</p> <p>a. Please review each invoice and all previous activities and communication with each customer to determine the next step that needs to be taken to recover outstanding monies as per Mel's Makeup's Debt Collection Policy.</p> <p>In the Overdue Accounts Receivable Log, explain the next recovery action that needs to be undertaken.</p> <p>(Approximate word count between 15 – 35 words)</p>		

- b. For each customer, develop a plan to pursue debt recovery and initiate legal action, with measures completed according to organisational policies and procedures and within required timeframes.


(Approximate word count between 25 – 90 words)

Save a copy of the updated Overdue Accounts Receivable Log on your desktop using the naming convention in Mel's Makeup Naming and Saving Financial Documents policy. Upload a copy of the updated Overdue Accounts Receivable Log with your assessment.

- c. Once you have completed the tasks above, report to Melissa on the state of her business's debts using the attached email template. In the body of the email, include the following:
- a brief overview of the current state of each outstanding account
 - proposed debt recovery plan for each outstanding account
 - a link to the updated Overdue Accounts Receivable Log saved on your desktop (see below)

(Approximate word count between 200 – 225 words)

How to create a link to a file you want to share

1. Select the file you want to share.
2. Click **People you specify can edit** .
3. Choose **Anyone with the link**.
4. Click **Copy link**.
5. Paste the link in an email or any place you want to share it.

Kind regards



Andrew Black
Director – ACE Finance
PO Box 298 Geebung Qld, 4220
Phone: 1800 111 222

www.ace.finance.com.au

MARKING GUIDE

Task 5a

The candidate must review previous activities and communication with each customer and explain the next step they need to take to recover outstanding monies. They must demonstrate they have followed the steps outlined in Mel's Makeup Debt Collection Policy. They must also show they have treated customers fairly, respectfully, and courteously. They must not harass or coerce them, treat them unconscionably or mislead them about the nature of their debt, their legal obligations, or any possible outcomes if the debt is not paid.

The responses provided by the candidate must reflect the benchmark answers in Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log below.

Task 5b

The candidate must demonstrate they have followed the steps in Mel's Makeup Debt Collection Policy to develop a plan to pursue debt recovery and initiate legal action. They must demonstrate they have followed the steps outlined in Mel's Makeup Debt Collection Policy. They must also show they have treated customers fairly, respectfully, and courteously. They must not harass or coerce them, treat them unconscionably or mislead them about the nature of their debt, their legal obligations, or any possible outcomes if the debt is not paid.

The responses provided by the candidate must reflect the benchmark answers in Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log below.

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log

	Fiona's Face Painting	Invoice Number	1233999
		Date of Invoice	05/01/2021
	Recovery Action	Procedure	Date and Notes on Procedures
Task 5a	Communication with Customer	Date Statement sent	01/02/2021
		Friendly reminder (1 st contact)	12/02/2021 – Reminder sent to the customer
		Overdue reminder	17/02/2021 – No contact with the customer. Sent an overdue reminder email and left a message on the mobile asking Fiona to return the call.
		Final notice	08/03/2021 – No contact from the customer. Left a voice message on mobile. Final notice sent.
		Direct contact	17/03/2021 – Left voice messages on mobile and office phone asking Fiona to contact us regarding the outstanding invoice from January 2021.
		Formal letter of demand	31/03/2021 – No response from the customer. Formal letter of demand sent via registered mail VPPN:3984148108 – record number.
	Pursue Debt Recovery through a debt collection agency		
	Write off Debt	Write off debt	As per the Customer Debt Collection Policy, amounts under \$800.00 that remain outstanding for three months can be written off. If The Accounts Receivable Procedure must be followed when writing off bad debts.
Task 5b	Debt Recovery Plan (Plan moving forward)	<p>A write-off request should be sent to the General Manager and include the following information: A statement signed by the Finance Manager stating that the accounts are uncollectible in their opinion and should be written off. A list showing each debtor's name, the dollar amounts due, and the basis for determining the account to be uncollectible. The total dollar amount is to be written off. The total number of accounts to be written off.</p> <p>Once approval has been given from the General Manager, the debt can be written off.</p>	

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log

	Paint your Face	Invoice Number	1233876
		Date of Invoice	23/12/2020
	Recovery Action	Procedure	Date and Notes on Procedures
Task 5a	Communication with customer	Date Statement sent	05/01/2021 – Statement forwarded to the customer
		Friendly reminder (1 st contact	30/01/2021 – Reminder sent to the customer
		Overdue reminder	07/02/2021 – No contact from the customer. Sent overdue reminder notice.
		Final notice	25/02/2021 – No contact from the customer. Sent final notice.
		Direct contact	01/03/2021 – Phoned the office and left a message for Lewis asking him to ring us about the outstanding invoice. 31/03/2021 – Phone call not returned. Left another message on mobile phone
		Formal letter of demand	A formal letter of demand is sent to the customer via registered post.
	Pursue Debt Recovery through the debt collection agency.		
	Write Off Debt		
Task 5b	Debt Recovery Plan (Plan moving forward]	If no payment is received, the following procedure will be followed: Referred to Debt Collection agency. Debt is written off if uncollectable.	

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log

	Action Training College	Invoice Number	1233835
		Invoice Date	13/12/2020
	Recovery Action	Procedure	Date and Notes on Procedures

Task 5a	Communication with customer	Statement sent	05/01/2021 – Statement forwarded to the customer
		Friendly reminder	30/01/2021 – reminder sent to the customer
		Overdue reminder	07/02/2021 – no contact from the customer. Sent overdue reminder notice.
		Final notice	25/02/2021 – Spoke to Brad. Action Training College is experiencing a cash flow issue due to COVID-19. To try and preserve the business relationship negotiated a payment plan. Brad has agreed to pay \$5,000 of the amount outstanding by 02/04/2021. The balance will be paid within 30 days. I advised Brad I would check back in with him in early April to confirm payment will be made in April.
		Direct contact	Monitor – Promised payment received; therefore, repayment arrangement has been complied with Candidates must demonstrate they have treated the customer fairly and have not harassed them.
		Formal letter of demand	
	Pursue Debt Recovery through the debt collection agency.	Add Agency Name	
	Write Off Debt		
Task 5b	Debt Recovery Plan (Plan moving forward]	<p>If the final payment is not received following procedure will be followed:</p> <p>A formal letter of demand was sent.</p> <p>Referred to Debt Collection agency.</p> <ul style="list-style-type: none"> Debt is written off if uncollectable. 	

Task 5c

Candidates must draft an email to Melissa Murray updating her on **Mel's Makeups overdue accounts receivables** and include a proposed debt recovery plan for each outstanding account. The email must also include a link to the updated Overdue Accounts Receivable Log. The responses provided by the candidate must reflect the benchmark answer below.

Email Template

To:	Melissa Murray (melissa.murray@melsmakeup.com)
From:	Patresia Florence (p.florence@acefinance.com.au)
Subject:	State of business debt

Hi Melissa

I have contacted each of the customers who are in breach of your trading terms. Below is a summary of the action I have taken for each debtor and proposed follow-up steps.

Fiona's Face Painting

PROPOSED ACTION PLAN

As per the Customer Debt Collection Policy, amounts under \$800.00 that remain outstanding for three months can be written off if the customer credit limit policy has been followed and determined that the receivable is uncollectible. You will need to approve this write-off request.

Paint your Face

Formal letter of demand sent to the customer via registered post.

PROPOSED ACTION PLAN

If no payment is received, the following procedure will be followed:

- Referred to a debt collection agency
- Debt is written off if uncollectable.

Action Training College

Promised payment received; therefore, repayment arrangement has been complied with.

PROPOSED ACTION PLAN

Check-in with the customer a week before the final payment is due to confirm they can meet the payment instalment.

If the final payment is not received following procedure will be followed:

- A formal letter of demand sent
- Referred to the debt collection agency
- Debt is written off if uncollectable.

I have updated the overdue accounts receivable log to reflect the steps I have taken to pursue the recovery of the amounts outstanding. A link is provided below.

https://myacg-my.sharepoint.com/:b:/g/personal/gayelene_townsend_up_education/EaWrh4mAggZlMwD3bxJv-hcBAm9c0QuSkcSzJozvgS5z7w?e=lhuWXS

Please let me know if you have any questions.

Kind regards



Patricia Florence

Trainee Accountant - ACE Finance
PO Box 298 Geebung Qld, 4220
Phone: 1800 111 222

www.ace.finance.com.au

Assessment Checklist

Candidates must have completed all tasks within this assessment document, Overdue Accounts Receivable Log or in the A2 Excel Workbook before submitting. This includes:

Task 1	a. Screenshot of errors b. Memo template c. Completed table in this assessment document	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Task 2	A2 Excel Workbook – Tab 1 A2 Excel Workbook – Tab 2	<input type="checkbox"/> <input type="checkbox"/>
Task 3	a. A2 Excel Workbook - Tab 3 b. A2 Excel Workbook - Tab 4 (x2) c. A2 Excel Workbook - Tab 5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Task 4	Email – Kerry Jones Email – Philip Paul	<input type="checkbox"/> <input type="checkbox"/>
Task 5	a. Overdue Accounts Receivable Log updated b. Overdue Accounts Receivable Log updated c. Email – Melissa Murray	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Congratulations, you have reached the end of Assessment 2

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