



FNSACC418

ASSESSOR GUIDE

## Work effectively in the accounting and bookkeeping industry

### Assessment 1 of 3

### Short Answer Questions

## Assessment Instructions

### Task overview

This assessment task is divided into 11 short answer questions. Read each question carefully before typing your response in the space provided.

### Additional resources and supporting documents

To complete this assessment, you will need:

- Access to learning materials
- Access to a computer and the internet
- Access to Microsoft Word

## 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.

## Student Instructions

This is an open-book written assessment – you can use your learning materials as a reference. There are eleven (11) questions, and some questions have sub-parts. You must answer all questions and their parts correctly to achieve a satisfactory outcome for this assessment.

## Assessor Instructions

### Purpose of the Task

This assessment requires students to answer written questions to demonstrate that they understand the knowledge required for this unit.

### Reassessment Arrangements

If student's answer any questions in this assessment incorrectly, they will need to be given an appropriate time to resubmit. Students should only redo questions that are incorrect; however, they will need to resubmit the entire assessment.

### Guidance to Assessors About this Task

Students can be given the opportunity to answer questions verbally if appropriate. Benchmark responses for each question have been provided.

## Question 1

a. Define the roles of a bookkeeper and accountant. (Approximate word count: 15-50 words)

b. List:

- **three** (3) responsibilities of a bookkeeper
- **three** (3) responsibilities of an accountant.

	Bookkeeper	Accountant
<p>a. Role</p> <p><b>MARKING GUIDE</b></p> <p>The candidate's response must be within the word limit and reflect the sample answer provided.</p>	<p>Bookkeepers are responsible for providing accurate, up-to-date financial information about a business.</p>	<p>1. 2. 3.</p> <p>The role of an accountant is to prepare, analyse, and interpret financial information for individuals, businesses, or organisations. Accountants play a crucial role in managing the financial aspects of an entity, ensuring accuracy, compliance with regulations, and informed decision-making</p>
<p>b. Responsibilities</p> <p><b>MARKING GUIDE</b></p> <p>The candidate's response must include <b>three</b> (3) responsibilities of bookkeepers and three (3) responsibilities of</p>	<ul style="list-style-type: none"> <li>• Using software, spreadsheets, and other databases to record financial transactions</li> <li>• Posting transactions to GL accounts</li> <li>• Processing payments</li> <li>• Reconciling bank statements</li> <li>• Processing payroll</li> <li>• Maintaining the general ledger</li> </ul>	<p>1. 2. 3.</p> <ul style="list-style-type: none"> <li>• Documenting financial transactions</li> <li>• Monitoring the efficiency of existing accounting procedures and ensuring they comply with the government regulations</li> </ul>

<p>accountants and reflect the sample answer provided.</p>	<ul style="list-style-type: none"> <li>• Generating financial reports</li> <li>• Preparing and lodging ATO GST compliance statements, Superannuation returns and payroll tax returns</li> <li>• Generating invoice and pay bills</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing financial documents to resolve any discrepancies and irregularities</li> <li>• Reconciling already documented reports, statements and various transactions</li> <li>• Creating, reviewing and presenting budgets</li> <li>• Recommending financial actions by analysing accounting options</li> <li>• Cooperating with auditors in preparing audit reports</li> <li>• Providing guidance on revenue enhancement, cost reduction and profit maximisation</li> <li>• Analysing financial statements like cash flow statement, balance sheet and profit and loss statement</li> <li>• Submitting annual tax returns</li> </ul>
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c. Access the Tax Practitioner Board website [Home | Tax Practitioners Board \(tpb.gov.au\)](http://tpb.gov.au) and answer the following questions.

- Taylor has a degree in Accounting from The University of Tasmania. What other qualifications and experience must she have to register as a Tax Agent?
- Sam is 18 years old and has no formal bookkeeping qualifications. Recommend a course of study that would allow him to register as a BAS agent.

<p>Taylor</p>
<p><b>MARKING GUIDE</b></p> <p>The candidate's response <b>must match</b> the sample answer provided.</p> <ul style="list-style-type: none"> <li>• Board Approved course in Australian Taxation Law</li> <li>• Board Approved course in Commercial Law</li> <li>• Equivalent of 1 year full-time experience in the past 5 years.</li> </ul>
<p>Sam</p>
<p><b>MARKING GUIDE</b></p> <p>The candidate's response <b>must match</b> the sample answer provided.</p> <p>To become a registered BAS agent Sam should complete a:</p> <ul style="list-style-type: none"> <li>• Certificate IV Financial Services in bookkeeping or accounting</li> <li>• Board approved course in basic GST/BAS taxation principles which includes a component in the Tax Agent Services Act 2009 (TASA), including the Code of Professional Conduct (Code).</li> </ul>

## Question 2

Watch the video. [How To Build Professional Relationships At Work - Create Better Relationships Faster - Bing video](#). List the eight (8) steps that will help you to succeed in building professional relationships at work.

### Andrew LaCivita's seven networking principles

#### MARKING GUIDE

The candidate's response **must match** the eight steps in the sample answer provided.

1. Be a likeable person
2. Meet face to face
3. Do your homework
4. Find excuses to meet
5. Build a personal as well as a professional relationship
6. Aim to help first and ask second
7. Deliver what you say you will
8. Ensure consistency of effort and action

## Question 3

List three (3) ways bookkeepers working in a virtual environment can establish and maintain clear communication with their clients.

(Approximate word count: 35-100 words)

### Three ways to establish and maintain clear communication with their clients.

- 1.
- 2.
- 3.

#### MARKING GUIDE

The candidate's response must reflect three of the points listed in the sample answer below.

- Always have a signed engagement letter in place. The engagement letter clearly states your responsibilities to your client and how you will work with them
- Ask the client to indicate their preferred time to communicate. Which day, what time etc.
- Find out what method of communication works best for a client, i.e. email, telephone, text messaging, Teams meeting, Zoom video etc.
- Organise and schedule regular meetings. These should be video based via Google Hangouts, Teams, Zoom or Skype. It is important to see one another
- **Don't be afraid to use the telephone. Sometimes email isn't enough**
- Ask questions, and never assume anything.
- **Tell the client if you encounter problems. Don't avoid these issues as this will only lead to further problems. Always be honest with the client.**
- Ask for permission to complete a task. Do not assume the client wants it or needs it.
- Be aware that sometimes words and phrases can be misunderstood. For this reason, always review meeting discussions before they end and send notes via email after telephone so that misunderstandings can be avoided.
- Put all requests in writing. Send an email to confirm what you agreed to do via meetings and telephone conversations.

- Report to the client each time a job is completed, or action taken via email. Advise them about where you are up to, what's completed and what still needs to be done.
- Answer emails/voicemails promptly and within the timeframes agreed to in the contract. Not answering messages conveys the message "you don't matter to me."
- If you know that you won't be able to answer messages within the agreed time frames, set up autoresponders for your email system /or leave an automated message on your voicemail. This will explain why you cannot answer the message and when you will be answering it.

#### Question 4

Assume you are a certified bookkeeper with the Institute of Certified Bookkeepers (ICB). List five (5) fundamental principles the Institute of Certified Bookkeepers' Code of Professional Conduct requires a bookkeeper to adhere to. Give an example of how each could impact on a bookkeeper's business dealings with clients.

(Approximate word count: 400-500 words)

#### MARKING GUIDE

Candidates must list five (5) of the thirteen (13) fundamental principles of the Institute of Certified Bookkeepers from the list below and give an example of how each one could impact a bookkeepers' business dealings with clients. The examples below are exemplar responses and student's responses will vary but the example provided by the student must directly relate to the principle stated.

	Principle	Example
1.	A member may not engage in any activities which are likely to bring themselves or the profession of bookkeeper or of the Institute into disrepute. A conviction for any criminal offence other than a road traffic offence shall for these purposes be deemed to amount to an activity which does or is likely to bring the member or the profession of bookkeeper or of the Institute into disrepute	If a bookkeeper is caught taking part in a scheme to defraud a customer, potential customers will not want to hire them in the future for fear of being defrauded. This means that bookkeepers must be honest in all their business dealings.
2.	A member may not engage in dishonest or otherwise discreditable activities	Bookkeepers must be honest in all their business dealings. Not disclosing a conflict of interest is an example of discreditable activities.
3.	A member must not compromise their professional standards or engage in or act so as to assist or conceal any criminal act even if by doing so the member may act contrary to the instructions of their client	Whenever a bookkeeper is convicted of illegal activities, such as taking part in a tax evasion scheme, this makes all bookkeepers look bad in many people's eyes. There is this added impulse for bookkeepers to refrain from taking part in criminal activities; that their behaviour has an impact on the whole profession.
4.	A member is not obliged to accept any work and must not accept any work which: <ul style="list-style-type: none"> <li>• the member lacks sufficient expertise or competence to complete</li> <li>• would involve the member or any other person in the commission of any criminal act</li> <li>• the member does not have adequate time or opportunity to complete promptly.</li> </ul>	If a bookkeeper takes on work that they are not qualified to perform, such as filing BAS forms when they are not a qualified BAS agent, this could result in penalties for both the bookkeeper and the customer. The financial services industry is tightly controlled, so there is a good chance that a bookkeeper acting outside what they are qualified to perform will be found out. It is therefore important that they only file BAS forms if they are qualified to do so.

5.	<p>A member must promptly inform their client or their employer if for any reason if it at any stage becomes apparent that the member is unable to complete any work within a reasonable time of them being instructed to do so.</p>	<p>If a bookkeeper takes on work that they cannot complete in the timeframe given, they will let the customer down. This will have the effect that the customer will not hire them in the future. Bookkeepers must therefore be realistic in estimating the amount of time that a job will need, and only take it on if they can be reasonably certain that they can fulfil it. This means that they may have to turn down jobs if they would not be able to complete them in the timeframe given.</p>
	<p>Or any of the following:</p> <ol style="list-style-type: none"> <li>1. A member must preserve the confidentiality of their client's or employer's affairs absolutely unless required to make such disclosure by law or by the direction of the Institute or to prevent the commission of a crime</li> <li>2. A member must not hold client or trust funds for another without full accounting to the client and all funds must be separated from the business and personal funds of the member.</li> <li>3. A member must not: <ul style="list-style-type: none"> <li>• give tax advice that they are not otherwise permitted to provide</li> <li>• give estate planning advice</li> <li>• provide investment services or sell or give advice on the appropriateness of any investment within the meaning of the Financial Services Act 1986 provided that nothing herein shall prevent a member from doing any act they would otherwise be allowed to perform through their membership of some other professional body or under any current permission or licence granted by some other competent body.</li> </ul> </li> <li>4. A member must not make or prepare any account or record which they know is or may be false or misleading or the truth of which they are not satisfied on the materials or evidence before them.</li> <li>5. A member must always be courteous to all those with whom they have professional dealings</li> <li>6. A member should ensure that any advice given to a client is clearly and comprehensibly expressed</li> <li>7. A member must not whether in their employment or in connection to their supply of services to the public describe themselves or allow themselves to be described as: <ul style="list-style-type: none"> <li>• holding any designation or qualification the member does not currently hold or being a member of anybody the member is not currently a member of</li> </ul> </li> </ol>	<p>Or any of the following:</p> <ol style="list-style-type: none"> <li>1. If a bookkeeper tells friends about a <b>customer's finances, this will erode confidence</b> in them, and people will not want to become a customer of theirs. Bookkeepers must keep their business dealings confidential, and not speak about clients and their finances with other parties.</li> <li>2. A bookkeeper must have a separate account for client funds that is separate to their personal bank accounts. Bookkeepers must be fully accountable to their clients in all respects.</li> <li>3. If a bookkeeper files BAS forms when they are not a qualified BAS agent, this could result in penalties for both the bookkeeper and the customer. Bookkeepers should not give financial advice to customers unless they are qualified to do so.</li> <li>4. Bookkeepers must be honest in all dealings. If they feel that a customer has given them information that is not correct, or is hiding illegal activity, they are not to just accept this without first clarifying it with the customer.</li> <li>5. It is important that a bookkeeper greets every customer in a polite manner with a formality that is appropriate for their relationship.</li> <li>6. It is possible that bookkeepers communicate with customers in a way that the customer understands the information given. This may mean that accounting terminology needs to be explained, or other terms used to explain the point.</li> <li>7. Bookkeepers must ensure that they advertise only the services that they can offer. This means that their website should not list financial planning as one of the services they offer unless they are qualified to offer it.</li> <li>8. If a bookkeeper learns that a customer's business is in financial trouble, they should talk to the customer about this, and direct them to other professional who could help them, rather than just doing the books and letting the company fail.</li> </ol>

	<ul style="list-style-type: none"> <li>• being a BAS Agent unless the member is currently entitled to be so described through their registration with the Tax Practitioners Board</li> <li>• being a certified bookkeeper unless the member is currently entitled to through their belonging to the appropriate grade of membership of the Institute. Subject to the other requirements of these rules, a bookkeeper must always act in the interests of his client or employer in Public Practice.</li> </ul> <p>8. Subject to the requirements of these rules, a bookkeeper must always act in the interest of his client or employer.</p>
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### Question 5

List the five (5) fundamental principles under the code of Professional Conduct for BAS Agents, as set out by the Tax Practitioners Board.

#### Marking Guide

Candidates must list the five (5) fundamental principles of the code of Professional Conduct for BAS Agents, as set out by the Tax Practitioners Board. The candidates's response **must match** the sample answer provided.

Five (5) fundamental principles under the Code of Professional Conduct for BAS Agents	
1	Honesty and Integrity
2	Independence
3	Confidentiality
4	Competence
5	Other responsibilities

### Question 6

Assume you are a bookkeeper employed by a small wholesale distributor.

- a. List five policies that you must adhere to as part of your role.

#### MARKING GUIDE

**Candidates** must list five (5) policies relating to their role as a bookkeeper. Exemplar answers are listed below but students could also include any policies a bookkeeper would need to adhere to as outlined on the <https://business.vic.gov.au/business-information/finance/develop-good-financial-procedures/accounting-and-financial-policies-and-procedures> website.

6a Five policies that you must adhere to as part of your role.	
1.	<ul style="list-style-type: none"> <li>• Petty Cash Policy</li> <li>• Use of Business Credit Card Policy</li> <li>• Customer Credit Policy</li> <li>• Bank Account Policy</li> <li>• New Supplier Policy</li> <li>• Purchasing Policy</li> <li>• Stock Control policy</li> </ul>



	<ul style="list-style-type: none"> <li>• Payroll Policy</li> <li>• New Customer Policy</li> <li>• Debt Collection Policy</li> </ul>
2.	
3.	
4.	
5.	

b. For each of the four policies below, identify two applicable procedures.

(Approximately 10-30 words per response)

### MARKING GUIDE

Candidates are to identify two (2) procedures applicable to each policy. Candidate's responses will vary and exemplar answers are provided below. Response may also include any procedures a bookkeeper would follow as outlined at: <https://business.vic.gov.au/business-information/finance/develop-good-financial-procedures/accounting-and-financial-policies-and-procedures> or a standard operating procedure accepted by industry that directly relates to the policy.

Policy	Procedure 1	Procedure 2
Petty Cash Policy	All petty cash vouchers must have proof of purchase (receipts) attached upon reimbursement	Amounts exceeding the petty cash limit of \$200 are to be processed via an employee expense claim
Payroll Policy	Payroll is processed weekly on Thursday mornings through MYOB single touch payroll software	All staff leave is to be applied for using the company Leave Request form and authorised by the employees' direct line manager
New Customer Policy	All customers are to complete a New Customer Application form	Two referees are to be provided for each new customer application and these must be checked and verified by the bookkeeper
Bank Account Policy	All cash and cheques are to be reconciled and banked on Friday of each week	The bank account is to be reconciled every Monday.

### Question 7

Explain the key steps involved in the accounting cycle.

(Approximately 30 - 40 words per response)

### MARKING GUIDE

Candidates must explain each of the seven steps in the accounting cycle. The wording in the response may be different however, the candidate's response must reflect the sample answer provided.

Steps	Explanation
1. Identifying and analysing transactions	This step involves identifying and analysing the business transactions that need to be recorded in the accounting system. It includes determining the impact of each transaction on the financial statements.
2. Journalising	In this step, transactions are recorded in a journal, which is a chronological record of all the company's transactions. Each entry includes the date, accounts affected, and a brief description of the transaction.
3. Posting to the ledger	After journalising, the transactions are transferred to the general ledger. The general ledger contains individual accounts for assets, liabilities, equity, revenue, and expenses. The entries in the general ledger provide a complete record of changes in each account.
4. Preparing an unadjusted trial balance	At the end of the accounting period, an unadjusted trial balance is prepared. It lists all the accounts from the general ledger and their respective balances. The purpose of the trial balance is to ensure that debits and credits are in balance.
5. Adjusting entries	Adjusting entries are made to record accrued revenues, expenses, deferred revenues, and expenses that were not captured in the regular journal entries. These entries help ensure that revenues and expenses are recognised in the appropriate accounting period.
6. Preparing an adjusted trial balance	After making adjusting entries, an adjusted trial balance is prepared. It reflects the updated account balances after adjusting for accruals, deferrals, and other adjustments.
7. Generating financial statements	Based on the adjusted trial balance, financial statements such as the income statement, balance sheet, and cash flow statement are prepared. These statements provide an overview of the company's financial performance and position.
8. Closing entries	Closing entries are made to transfer the temporary accounts (revenue, expense, and dividend accounts) to the retained earnings account. This resets the temporary accounts to zero and prepares them for the next accounting period.

### Question 8

Explain the purpose of a professional development plan (PDP).

(Approximately word count: 10 - 15 words)

#### MARKING GUIDE

The candidate must explain the purpose of a PDP. The wording in the response may be different however, the candidate's response must reflect the sample answer provided.

Purpose of a professional development plan
A professional development plan (PDP) is a list of actionable steps for achieving your career goals.

### Question 9

In the table below, list two (2) professional development goals that focus on improving your bookkeeping career or increasing your competencies and capabilities in the workplace. Use the SMART goal method to explain how you will achieve these goals.

(Approximate word count: 250 - 350 words)

#### MARKING GUIDE

The examples below are exemplar responses and student's responses will vary.

The candidate must list two professional development goals focused on improving their bookkeeping career or increasing their competencies and capabilities in the workplace. **Candidate's** goals will be dependent on their unique aspirations in terms of their career. The candidate must explain how they will achieve their professional development goals using the SMART goal method. (Specific, Measurable, Achievable, Relevant, and Time-bound).

Professional development goals	How these goals will be achieved using the SMART goal method
<p>I want to be valuable to my employer and to my team, while also providing myself with opportunities to advance my career. To do so, I will work to ensure that I stay relevant in my field and up to date on any industry changes.</p> <p>I will set up notifications to be alerted to new articles from authoritative sources, as well as attend at least two available workshops and seminars each year that are within 50 km of my home or made available online. I will also choose one certificate program that I can take to further develop my skill set as an accountant within the next two years.</p>	<p>S: This SMART goal defines several steps the person will take for professional development.</p>
	<p>M: This goal is measurable in a few ways. It outlines how many workshops or seminars the person will visit within a given time, along with how far they are willing to travel. And it specifies when they will have a certificate program completed.</p>
	<p>A: It is a very achievable goal, as it not only outlines several ways for the person to meet it but gives more than one option for seminars and workshops – online or in-person. This means that it can still be achieved, even if there are no seminars within their travel radius. As a bonus, once this goal is met, it can easily be adapted, extended, or built upon.</p>
	<p>R: This accountant will not only build value for themselves in their current company but also make the person a desirable candidate for other companies should they choose to move on. It may also lead to a promotion or pay increase.</p>
	<p>T: Though the goal is for continual improvement, it clearly outlines a timeline. They will attend workshops or seminars twice each year, as well as complete a certificate program in two years.</p>

### Question 10

Explain the statutory functions of the Australian Accounting Standards Board (AASB).

(Approximate word count: 100 - 120 words)

### MARKING GUIDE

The wording may be different however the candidate's **response** must reflect the sample answer provided.

Statutory functions of the AASB.
<p>The AASB is an Australian Government agency under the Australian Securities and Investments Commission Act 2001. Under that Act, the statutory functions of the AASB are:</p> <ul style="list-style-type: none"> <li>• to develop a conceptual framework for the purpose of evaluating proposed standards</li> <li>• to make accounting standards under section 334 of the Corporations Act 2001</li> <li>• to formulate accounting standards for other purposes</li> <li>• to participate in and contribute to the development of a single set of accounting standards for worldwide use</li> <li>• and to advance and promote the main objects of Part 12 of the ASIC Act, which include reducing the cost of capital, enabling Australian entities to compete effectively overseas and maintaining investor confidence in the Australian economy.</li> </ul> <p><a href="#">About the AASB</a></p>

## Question 11

Assume you have just opened your own small bookkeeping business. You provide general bookkeeping and BAS services. Explain the statutory, legislative and regulatory requirements you must adhere to under the following legislation and standard.

Legislation/ Standards	Impact on bookkeeping business
Tax Agent Services Act  (Approximate word count: 60 - 70 words)	Defines what constitutes provision of a BAS Service, requires anyone providing such a service to be a registered BAS Agent and outlines the requisite qualifications and experience of registered BAS Agents. It requires BAS Agents to hold Professional Indemnity insurance and prescribes a Code of Professional Conduct that BAS Agents must follow. It imposes a civil penalty of \$27,500 on any non-registered bookkeeper posing as a BAS Agent.
Privacy Act  (Approximate word count: 75 - 85 words)	A Bookkeeper must be mindful of its duties and obligations under the Privacy Act. Specifically, they must observe the requirement to ensure that its clients have "the right to know what information an organisation holds about them and to correct that information if it is wrong".  Furthermore, all client data held "must be kept secure and confidential" and "should not be transferred to an overseas organisation" unless "continued security can be guaranteed, or the client has consented to the transfer".
Trade Practices Act  (Approximate word count: 30 - 40 words)	Like all businesses, a Bookkeeping business is subject to the competition component of the Trade Practices Act. It is also bound by the fair trading legislation in the relevant state – Fair Trading Act.
Accounting Professional & Ethical Standards Board (APESB)  (Approximate word count: 20 - 30 words)	In the absence of any specific set of standards for bookkeepers it is recommended that bookkeepers "follow APESB standards where appropriate for bookkeepers".

## Assessment Checklist

Students must have completed all questions within this assessment before submitting. This includes:

1	Eleven (11) short answer questions.	<input type="checkbox"/>
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**Congratulations! You have reached the end of Assessment 1**

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