**Financial Accounting**

**Business Folio**

**- Business Information Phase 2**

**DUE DATE:** Friday 5.30 pm in Week 10 (20th May 2021). Only electronic copies to be submitted through CANVAS will be accepted as a submission. Total marks for this assignment are 30 marks

**INTRODUCTION OF BUSINESS FOLIO**

The Business Folio consists of four related phases. The first phase you completed in week 5. The second phase of this exercise is the computerised accounting information systems (topic 7), where you compare and consolidate your knowledge within both systems. You will be completing a new set of transactions for month two of the business portfolio from the first assignment and this time you will be using an electronic accounting system, MYOB.

The business has been established so you need to utilise a Chart of Accounts (this is within MYOB) and prepare the set of transactions within a computerised accounting system. This forms the **Business Portfolio Phase 2**.

This phase of your Business Folio **must** be electronically submitted through CANVAS prior to the due time.

**LATE ASSIGNMENTS**

All assignments will be marked as if submitted on time. Then the mark awarded will be reduced by 10% for each day (or part of a day) it is late. Assignments that are late by 7 days or more will not be marked and will be awarded zero marks. For example, this assignment is worth 15 marks and you are one day late then you will be penalised 10% of 30 marks which is 3.0 marks. These marks will be subtracted from the assessed mark.

**FEEDBACK**

Your teacher will write his/her feedback within the CANVAS. It is your responsibility to refer to the feedback on your Business Folio. For electronic submission, you are required to submit a PDF version of the reports highlighted later in this assignment and submit it through RMIT CANVAS. Arrange your RMIT cover sheet (make sure you have signed on the cover sheet; electronic signatures are acceptable) as the first page when scanning. You will have been sent a MYOB file, please rename your file name follow naming protocol: Student Number should be used here.

**READ THESE INSTRUCTIONS.**

**THEY DETAIL HOW TO MAXIMISE YOUR RESULT. The items highlighted in yellow are important and so is the rest of the document!**

**How to Start your Business Information Phase 2**

**Following are the submission requirements.**

**Second Phase - Computerised Accounting Information System Phase**

**DUE DATE:** in Week 11 (21st May 2021). **(30 marks)**

**LOCATION:** online electronic submission through the CANVAS

**PHASE 2 SUBMISSION INSTRUCTIONS**

Utilising the MYOB Instructional videos in the CANVAS and MYOB class exercise (topic 6) you are required to:

1. Access the most current version of MYOB (this can be achieved by connecting to ‘Citrix Workspace’ details are in CANVAS as to how to download this onto your computer make sure you do this before you attempt the assignment it takes only 5 minutes, you can get help from ITS on level 3 of building 80).
2. Create a new file from MYOB.
3. Follow the set-up procedures from the CANVAS videos (They are available under learning resources for topic 6.) and put your student number and name in the company address details.
4. **Be aware** the videos are only a guide to completing the assignment, NOT the content or the questions of the assignment.
5. Record each transaction in MYOB using the appropriate MYOB command centre. Ensure that all transactions recorded are included on your **session report/reports**. **Your transaction month is March 2021.**

**All session reports** with transaction in sequential order. If the transaction fall out of sequence then they are required to be numbered, in the appropriate sequence. **YOU WILL ONLY NEED TO SUBMIT THE TRANSACTIONS ONCE DO NOT SUBMIT MULTIPLE SESSION REPORTS IF THEY ARE NOT REQUIRED.**

**PLEASE BE AWARE** **Session Reports**

MYOB automatically records all transactions in a session report. A session commences each time you access MYOB and concludes when you exit MYOB.

**Each session report must be run before you exit MYOB**.

To ensure against loss of session reports it is recommended that you print session reports to a PDF file on a regular basis overwriting each time would work. YOU WILL ONLY NEED TO SUBMIT THE TRANSACTIONS ONCE. **DO NOT SUBMIT MULTIPLE SESSION REPORTS IF THEY ARE NOT REQUIRED**. Session reports provide an audit trial of your work therefore provides information for marking purpose. You will receive **zero** marks for Phase 2 if a complete session report is not submitted with your folio. **Every transaction must feature in a session report**. If you submit more than one session report, then they **must not** include duplicate transactions, marks will be deducted for each duplicate transaction that is submitted.

1. Print to PDF your MYOB Chart of Accounts (select ‘Account List Detail’ option) (including zero balances, inactive accounts, subtotals, company name and company address, and reporting date and time) as at the last day of the month (i.e. 31st March 2021).
2. Print to PDF the following reports (including company name, address, reporting date and time, but excluding all zero balances):

* Trial Balance at the end of the month
* Profit & Loss (accrual) for the month
* Standard Balance Sheet at the end of the month

These reports should all be in PDF format, taking photos of your reports is unacceptable and will cost you marks

1. The card file list of your employees, customers, suppliers, and inventory.
2. Back-up/save your business’ MYOB file. This file needs to be submitted. A non-submission of the MYOB file will mean that you get a zero for your score.Your MYOB file need to be named as follows, family name, first name student number

**Feedback on common questions**

* Your MYOB Instruction are video demonstrations in CANVAS.
* Do not delete accounts (account names, account numbers, etc.) from the data file. You will not be penalised for leaving the existing accounts as they are.
* MYOB saves your entries automatically.
* Use ‘General Cheque Account’ as your Cash at Bank account, do not use other cash accounts when entering transactions.
* The purpose of Phase 2 is for you to understand and compare the difference requirements between a manual accounting system (Phase 1) and a computerised accounting system (Phase 2), and to consolidate your knowledge of accounting transaction processing systems.
* Remember to set up employees as well.

Only submit the pages that are requested, do not submit the pages of this assignment question.

# BuyIt&Sell’em Pty Ltd (ABN 12 345 678 901) business back ground

# is moving the business from a manual accounting system to an electronic system, this is the second month of the new financial year and the account balances have not been transferred into the electronic system. So, your help is required to complete the transition from manual system to the new electronic MYOB system. You will need to input inventory, employees, customers, and supplier details, before you start the transactions. (The CAVAS videos can give guidance here)

You will need to consider the first month’s transactions and the ending figures from February accounts when you are entering the following information.

# Employees

BuyIt&Sell’em Pty Ltd employs two casual assistants. Michelle Pappas works as a salesperson and Tony Edwards works in the warehouse filling orders. Each employee works between 30 to 40 hours per week, depending on the demand and the timing of the shipments of inventory.

Payday is every second Thursday. The following information is used to calculate their wages:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Role** | **Gross pay-**  **Per hour ($)** | **Tax file number** |
| Michelle Pappas | Salesperson | 32 | 123 456 789 |
| Tony Edwards | Warehouse assistant | 30 | 234 567 890 |

At the 28th February the business owed the employees 15 hours to Michelle and 15 hours to Tony.

**Merchandise Inventory**

The following is a list of closing inventory and the suppliers as at 28th February.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quantity on hand** | **Item Code** | **Description** | **Cost Price** | **Sale Price** | **Supplier** |
| 11 | SDR | SungSam Digital recorder | $190 | $420 | SungSam Australia Pty Ltd |
| 14 | SST | Slimline Smart TV | $380 | $750 | Banana Australia Pty Ltd |

The required inventory is purchased mostly on credit under the terms of payment required by the suppliers. Your business has a good relationship with each of the suppliers once your company places an order, the suppliers will deliver them free of charge the same day. Due to the good relationship the suppliers have offered discount terms, indicated below.

Suppliers account balances as at 28th February 2020:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Address** | **ABN** | **Terms of Credit** | **Account Balance** | **Date of Purchase** |
| Sungsam Australia Pty Ltd | 21 Macquarie St Melbourne 3000 | 45 667 778 888 | 2/15 net 30 | $2,090 | 24th February |
| Banana Australia Pty Ltd | 35 Lorimer St South Melbourne 3205. | 56 778 889 999 | 2/15 net 30 | $5,320 | 24th February |

Customer Information:

BuyIt&Sell’em Pty Ltd sells most of its inventory strictly on a cash basis, but the business has three credit customers. The valued customers have been offered discount terms and these terms of payment are listed below. The outstanding account balance and the date of their purchase is also indicated in the account information.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Address** | **ABN** | **Terms of Credit** | **Date of**  **Invoice** | **Account Balance** |
| Harvey Norman | 450 Bourke St Melbourne 3000 | 50 999 555 666 | 1/15 net 30 |  | $0 |
| The Good Fellas | 300 Smith street Collingwood 3068 | 89 911 222 333 | 1/15 net 30 |  | $0 |
| Bee Jay HiFi | 296 Riversdale road Camberwell 3021 | 60 504 030 201 | Net 30 |  | $0 |

|  |  |  |  |
| --- | --- | --- | --- |
| BuyIt&sell'em Pty Ltd | | | |
| **Trial Balance as at 28th February 2021** | | | |
| **Account Number** | **Account name** | **Debit** | **Credit** |
| 1001 | Cash at Bank | 47,254.30 |  |
| 1010 | Accounts Receivable | - |  |
| 1020 | Inventory | 7,410.00 |  |
| 1030 | Prepaid Rent | 1,500.00 |  |
| 1035 | Prepaid Insurance | 1,500.00 |  |
| 1040 | Stationery Supplies | 650.00 |  |
| 1110 | Computers | 4,500.00 |  |
| 1111 | Accumulated Depreciation – Office Computers |  | 500.00 |
| 1140 | Warehouse Equipment | 38,000.00 |  |
| 1141 | Accumulated Depreciation – Warehouse Equip. |  | 9,850.00 |
| 2001 | Accounts Payable |  | 7,410.00 |
| 2010 | Wages Payable |  | 855.00 |
| 2201 | Loan - Best Bank |  | 18,000.00 |
| 3001 | Share Capital |  | 50,000.00 |
| 3010 | Retained Earnings |  | 9,309.00 |
| 4001 | Sales |  | 28,750.00 |
| 4002 | Sales returns and allowances | 1,500.00 |  |
| 4010 | Discount Received |  | 114.00 |
| 5001 | Cost of Goods Sold | 11,970.00 |  |
| 5010 | Discount Allowed | 12.70 |  |
| 5100 | Wages Expense | 6,841.00 |  |
| 5110 | Rent Expense | 1,500.00 |  |
| 5120 | Telecommunication Expense | 430.00 |  |
| 5130 | Electricity expense | 375.00 |  |
| 5140 | Insurance Expense | 300.00 |  |
| 5160 | Vehicle Expense | 400.00 |  |
| 5180 | Stationery Expense | 195.00 |  |
| 5200 | Depreciation Expense | 450.00 |  |
|  |  | 124,788.00 | 124,788.00 |

Before you decide to close a MYOB session make sure you print your session report (to pdf). Remember **before closing the MYOB** and submit it this with the other required reports**.**

**Transactions: March 2021**

|  |  |
| --- | --- |
| **Date** | **Description** |
| 2 | Purchased Honda Forklift truck $22,000. There was additional freight of $450. The business put signage on the forklift, $300 |
| 3 | Recognised rent expense for the month $1,500 |
| 4 | Sale on account to Good Fellas: 11 SDR and 14 SST |
| 6 | Paid Banana Australia Ltd. for February account. |
| 10 | Pay day. Michelle was paid for 66 hours and Tony was paid for 66 hours, which includes wages owing from February |
| 11 | Paid SungSam Australia Pty Ltd. for February account. |
| 12 | Acquired more inventory on account 31 SDR (from SungSam Pty Ltd) and 30 SST (from Banana Australia Pty Ltd) |
| 13 | Returned 3 SDR to SungSam Australia Ltd due to the inventory being damaged |
| 14 | Sales invoice sent to Harvey Normans for the following items: 22 x SDR, 18 x SST. |
| 15 | Harvey Normans returned 2 SST, due to an over ordering mistake, the goods were returned to inventory |
| 17 | Received and paid invoice from Telstra Ltd for Telephone expense $450 |
| 21 | Good Fellas pays for goods purchased on the 4th March |
| 22 | Harvey Norman Pty Ltd paid for items purchased on 14th March. |
| 23 | Paid SungSam and Banana Australia for inventory that was purchased on the 12th |
| 24 | Pay day. Michelle was paid for 65 hours and Tony was paid for 68 hours |
| 28 | Paid monthly repayment to ABC for bank loan.  $500 (includes interest of 7% p.a.). |
| 29 | Cash sale made for 7 x SDR and 8 x SST, made to Bee Jay HiFi. Delivery cannot be made until next month. |
| 30 | Sold the Warehouse Equipment to Warehouse recyclers for $25,000 |

**Adjustments at 31 March 2021**

1. Depreciation of computer equipment is $2,400 per annum.
2. Depreciation of Forklift is 6% of cost per annum.
3. Accrued wages: Michelle – 18 hour and Tony 18 hours.
4. Stationery on hand at the 31st of March 2021 totalled $ 575.
5. The portion of prepaid insurance expired as of 31 March 2021 is $300.

Before you decide to close a MYOB session make sure you print your session report (to pdf).

Remember **before closing the MYOB.**