

Learning Assessment Guide

Unit Standard 11614 – Version 3

Perform the accounting functions for fixed assets

Level 4 – 4 Credits

Assessment Summary			
Learner to complete			
Learner's name:			
Employer:			
NSN no. (ROL):		DOB:	
Signed:		Date:	
Assessor to complete			
<input type="checkbox"/> Meets requirements <input type="checkbox"/> More training required <input type="checkbox"/> More evidence required			
Assessor's name:		Assessor's No.	
Signed:		Date:	

Before you begin...

- As well as this Learning Assessment Guide, you may also want to refer to the unit standard from the NZQA website (<http://www.nzqa.govt.nz>).
- Read the Trainee Information Kit. The kit contains important information and guidelines for Learners and can be found on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- Check the learning resources available for this unit standard on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- You will have to take account of organisation policies, standards, procedures and/or requirements may cover: quality assurance, documentation, security, communication, health and safety, and personal behaviour. These should reflect the standards found in ISO 9000 certified organisations.
- Performance of all elements is to be completed within the timeframe that would usually be expected in a commercial organisation.
- All assessment tasks, except task three, contain two separate sets of sub-questions; Part A and Part B for each of the four assessment tasks. You could attempt either part A or Part B to complete the unit standard. Task three has a common task.
- Maintain a portfolio to store all evidence pertaining to the assessment tasks. After the completion of all tasks the portfolio should be forwarded to the assessor of Unit Standard 11614 for assessment marking. It is important to ensure that the confidentiality of the organisation is maintained at all times. Please strike off or erase names or anything that can reveal the identity of the organisation
- Learners attempting questions in Part B are required to undertake the tasks in a controlled environment in the presence of a nominated supervisor or manager in order to ensure that the work submitted is of an original nature.
- Assessors are likely to make contact with you in order to discuss your portfolio with you. The intention behind this is to allow you an opportunity to elaborate the written evidence submitted or discuss any workplace evidence you have submitted.

This assessment guide is made up of:

- Tasks for you to complete
- A verification form for your manager or nominated supervisor to complete
- Assessor Checklist
- Assessment results that the assessor will use to assess your competence

The tasks in this assessment are designed to show your assessor that you can:

- 1 Maintain a fixed asset master file
- 2 Create and record fixed asset transactions in an accounting system
- 3 Reconcile records of fixed asset transactions
- 4 Report fixed assets transactions

Assessment Task One – Element 1

The questions in this task are designed to assess your ability to maintain a Fixed Asset Master File. Your evidence may pertain to an entity that you either work for or are familiar with. Learners intending to use evidence from a workplace should attempt Part A of the assessment question, while others who are unable to use workplace evidence should attempt Part B.

Task one questions

Part A

Maintain a Fixed Asset Master File.

It is required that the integrity of the master file be maintained as per organisational policies and standards.

Errors and omissions (if any) must be identified and remedial action initiated according to organisation standards and policies.

Part B

You have been appointed accountant for Makebelieve Corporation Ltd. The previous accountant is absconding and the directors are unsure about the integrity of the Fixed Asset Master File bearing in mind that the previous accountant was the sole-in-charge. You have been asked to verify if the Fixed Asset Master File is being maintained as per organisational policies.

What steps are you likely to undertake in order to vouch for the integrity of the Fixed Asset Master File.

Note: Your answer must include a detailed description of each individual step that you will take to complete this task. Further provide specific examples of any likely errors or omissions that may be encountered during such a process and the remedial action that may be necessary.

Assessment Task Two – Element 2

This assessment task requires you to create and record fixed asset transactions in an accounting system. Your evidence may relate to the same entity used in task 1. Learners intending to use evidence from a workplace should attempt Part A of the assessment question, while others who are unable to use workplace evidence should attempt Part B.

Task two questions

Part A

Create and record fixed asset transactions in an accounting system

The range of evidence must indicate that any **three** of the following types of fixed asset transactions have been covered.

- 1 Additions
- 2 Transfers
- 3 Disposals
- 4 Write-offs
- 5 Revaluations
- 6 Depreciation

It is essential to ensure that the accounting system transaction detail match source documents. All transactions are analysed and classified in accordance with the organisation's policies and chart of accounts (or equivalent). Further the transactions are meant to achieve specified accounting objectives and comply with the organisation's authorisation policies and standards.

Part B

Given below are five scenarios relating to Fixed Assets. You are required to demonstrate ways through which any **three** of these transactions could be incorporated into the accounting system of the respective businesses. (journal entries or accounting equation may be used)

- 1 Textra Ltd is a leading player within in the Hygiene and Surface Management business within Wellington Region. In order to cater to the growing niche, the CEO has purchased a new dishwashing liquid maker from China. The machine cost \$500,000 at the time of purchase, another \$10,000 were spent to transport it from Shanghai to Wellington. Bearing in mind that the machine is an expensive piece \$2,000 were spent towards transit-insurance. Upon arrival in the factory premises in Wellington the machine was put on a trial run for quality assurance purposes, an estimated \$2,600 worth of raw material was utilised for this purpose.
- 2 Wellington Youths is a charitable organisation established to provide support and guidance to rehabilitate youth affected from problems like drugs abuse and crime. As a goodwill gesture from Bazooka Motors Ltd, a leading Japanese car manufacturer, Wellington Youth

received a mini-bus as donation. The market value of this mini-bus is estimated to be worth \$65,000. However Wellington Youths are unsure as to how this transaction can be accounted for and have turned to you for advice.

- 3 Popular Car Rentals has a massive fleet of rental cars that includes a 1982 Mercedes-Benz. This car is among the antique collection whose original cost stands at \$45,000 and has an accumulated depreciation of \$ 25,000. A recent valuation has revealed that the car is worth \$45,000. The owners wish to account for this change in their books, but are not sure how it could be done.
- 4 Realty Developers acquired a plot of land at a cost of \$40,000. A year later it was revealed that the actual value of the land stood at \$64,000. The Directors conducted a revaluation in the books and shortly afterwards the land was placed on the market and realised \$90,000 in sale proceeds. How do you think should this land be accounted for?
- 5 Your friend, Alan, has purchased a brand new car costing \$25,000, with an estimated useful life is 5 years and an estimated residual value of \$2,000. Alan wants to charge depreciation on a straight-line basis and would like you to tell him how much he should charge towards depreciation each year.

Assessment Task Three – Element 3

This assessment task requires you to reconcile records of fixed asset transactions. This assessment task cannot be attempted without workplace evidence. The evidence may pertain to the same organisation used in previous tasks.

Learners unable to obtain evidence from a workplace should approach either a local Charity or a Community Organisation in order to obtain the evidence, make sure that the verification form on page 12 is signed off upon completion by the President or any other person with the authority to do so, on behalf of the organisation. Your evidence must indicate that:

- 1 Fixed asset control totals match general ledger control totals
- 2 Discrepancies highlighted by the reconciliation process are resolved according to organisation standards
- 3 The reconciliation statement meets organisation standards

Task three question

Prepare a Reconcile Statement for fixed asset transactions while ensuring that fixed asset control totals match general ledger totals. Further, discrepancies highlighted by the reconciliation are meant to be resolved as per organisational standards.

Assessment Task Four – Element 4

This assessment task requires you to report on fixed asset transactions. The evidence may pertain to the same organisation used in previous tasks. Learners intending to use evidence from a workplace should attempt Part A of the assessment question, while others who are unable to use workplace evidence should attempt Part B.

It is required that the reports are produced and distributed according to organisation requirements. Further all exceptions are to be identified and remedial action is to be initiated as per organisation policies and standards.

Task Four Questions

Part A

Report Fixed Asset transactions

Part B

The following is an extract from the Trial Balance of Aotearoa Fine Leather Ltd. (prior to balance day adjustments)

Asset Details	Amount (\$)
Land	75,000
Christchurch Buildings	240,000
Accumulated Depreciation (Buildings)	28,400
Alexandra Tannery	108,000
Accumulated Depreciation (Tannery)	29,400
Showroom Furniture	32,000
Accumulated Depreciation (Furniture)	19,000

The following adjustments are to be given effect to:

A revaluation of the Christchurch buildings during the current year revealed that the total value had fallen by \$15,000.

Depreciation is charged on the following basis:

Buildings have an estimated life of 40 years and have been in use for the past 5 years.

Alexandra Tannery @ 10% DV (diminishing value)

Showroom Furniture @ 20% DV

Required:

Prepare a fixed asset schedule to demonstrate the effect of balance day events.

Learner Verification Form – Unit Standard 11614 (Part A Only)

Name of Learner:	
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The learner is being assessed towards unit standard 11614: Perform the accounting functions for fixed assets. Your knowledge of the learner is being sought to verify whether the learner is able to:

- 1 Maintain a fixed asset master file
- 2 Create and record fixed asset transactions in an accounting system
- 3 Reconcile records of fixed asset transactions
- 4 Report on fixed assets

This form should be used to verify only Part A of all assessment tasks. Please examine the learner's portfolio and complete this form and arrange for it to be sent to the assessor of US 11614 while ensuring that the confidentiality of the organisation is protected. Learners have been instructed to strike-off or erase names or any identification that may reveal the identity of the organisation.

Please review the evidence provided by the learner for this assessment and verify the following:

- 1 The learner has demonstrated ability in terms of maintaining the integrity of the master file as per organisation policies and standards, this includes ability to identify errors and omissions and to initiate remedial action.

Yes / No

Comments:

- 2 The learner has demonstrated ability in terms of creating and recording fixed asset transactions in an accounting system (range of transactions may encompass, additions, transfers, disposals, write-offs, revaluations and depreciation). Evidence contains minimum three types of transactions.

Yes / No

Comments:

- 3 The learner has demonstrated ability to reconcile records of fixed asset transactions and prepare a reconciliation statement. This includes ensuring that fixed asset control totals match general ledger control totals, discrepancies (if any) must be highlighted during the process and resolved as per organisation standards.

Yes / No

Comments:

- 4 The learner has demonstrated competence in terms of preparing a report on fixed asset transactions as per organisation policies. The report must include any exceptions that were identified and remedial actions initiated.

Yes/No

Comment

Manager/Supervisor Name:

Position:

Contact Phone:

Email:

Date:

Learner Verification Form – Unit Standard 11614
(Part B Only)

Name of Learner:	
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The learner is being assessed towards unit standard 11614: Perform the accounting functions for fixed assets. Your knowledge of the learner is being sought to verify whether the learner is able to:

- 1 Maintain a fixed asset master file
- 2 Create and record fixed asset transactions in an accounting system
- 3 Reconcile records of fixed asset transactions
- 4 Report on fixed assets

This form should be used to verify only Part B of all assessment tasks. Please examine the learner's portfolio and complete this form and arrange for it to be sent to the assessor of US 11614 while ensuring that the confidentiality of the organisation is protected. Learners have been instructed to strike-off or erase names or any identification that may reveal the identity of the organisation.

Please review the evidence provided by the learner for this assessment, and verify the following:
(*continue on a separate page if necessary*)

- 1 All questions have been attempted in full and all evidence including relevant documentation has been included in the learner's portfolio.

Yes / No

Comments:

- 2 The work submitted is of an original nature attempted by the learner under my supervision.

Yes / No

Comments:

- 3 The verification form of task three is complete and has been duly signed off by the President or equivalent officer of the organisation

Yes / No

Comments:

Manager/Supervisor Name:

Position:

Contact Phone:

Email:

Date:

Verification Form – Unit Standard 11614 (Task Three)

(Part B only – to be completed by either the President or equivalent officer of the organisation)

This form should be used to verify only task 3 of the assessment tasks. Please examine the learner's portfolio and complete this form and arrange for it to be sent to the assessor of US 11614 while ensuring that the confidentiality of the organisation is protected. Learners have been instructed to strike-off or erase names or any identification that may reveal the identity of the organisation.

Please review the evidence provided by the learner for task three of this assessment, and verify the following: *(continue on a separate page if necessary)*

- 1 The learner has demonstrated ability to reconcile records of fixed asset transactions and prepare a reconciliation statement.

Yes / No

Comments:

- 2 Fixed asset control totals match general ledger control totals, discrepancies (if any) have been highlighted during the process and resolved as per organisation standards

Yes / No

Comments:

Manager/Supervisor Name:

Position:

Contact Phone:

Email:

Date:

Assessor Checklist

<i>Element</i>	<i>Evidence required</i>	<i>Documentation Provided / Assessor Comments</i>	<i>Requirement Met</i>
1. Maintain a fixed asset master file	Copies or print-outs of Transactions including sales, purchases, returns, transfers		Yes / No
	Master File pertaining to a certain period or month		Yes / No
	Documents to indicate that errors and omissions in the master file were identified and remedial action taken		Yes / No
	Nominated supervisor or manager's attestation		Yes / No
2. Create and record fixed asset transactions in an accounting system	Copies or print-outs of fixed asset transactions as recorded in the accounting system (minimum three)		Yes / No
	Copies or print-outs of source documents for the recorded transactions		Yes / No
	Nominated supervisor or manager's attestation		Yes / No
3. Reconcile records of fixed asset transactions	Copies or print-outs from Fixed asset control ledger		Yes / No
	Copies or print-outs of general ledger control totals		Yes / No

Element	Evidence required	Documentation Provided / Assessor Comments	Requirement Met
	Documents to indicate that discrepancies were highlighted during reconciliation process and resolved		Yes / No
	Nominated supervisor or manager's attestation		Yes / No
4. Report fixed assets transactions	Full report on fixed asset transaction		Yes / No
	Notes to indicate that any exceptions identified were remedied as per organisation policies		Yes / No
	Nominated supervisor or manager's attestation		Yes / No

Assessment Results

The Assessor will make judgements based on this checklist.

Does the learner demonstrate ability to maintain a fixed asset master file. (Learners attempting Part B should provide detailed responses outlining the steps and include examples where appropriate)	Yes	No
Does the learner demonstrate ability to identify errors and omissions within the fixed asset master file and initiate remedial action in line with organisation standards and policies (Learners attempting Part B are expected to encompass this element within their responses to element one)	Yes	No
Does the learner demonstrate ability to create and record fixed asset transactions in an accounting system while ensuring that transaction details match source documents and comply with organisation's authorisation policies and standards (minimum three transactions). Learners attempting Part B must provide correct responses to element 2 questions.	Yes	No
Does the learner demonstrate ability to reconcile records of fixed asset transactions while ensuring that fixed asset control totals match general ledger control totals and discrepancies are resolved as per organisation standards. Learners providing evidence from a local charity or club are also required to provide verification form, completed and signed by the President or equivalent officer of the organisation.	Yes	No
Does the learner provide a report on the fixed asset transaction while identifying all exceptions and remedial action initiated. Learners attempting Part B must provide correct responses to element 4 questions.	Yes	No
Are the relevant verification forms completed and signed off by the manager or nominated supervisors.	Yes	No