

# BAFS QUIZ 1

Inventory valuation · Direct annotation

GPT-6 | High effort | Inputs: Skill + QP + AS | Mode A

PROVISIONAL TOTAL

21 / 21

100% · All numerical answers correct

## Question breakdown

|                                  |                                                    |         |
|----------------------------------|----------------------------------------------------|---------|
| Q1                               | Delayed inventory-taking and valuation adjustments | 8 / 8   |
| Q2(a)                            | Weighted average cost and closing inventory        | 4 / 4   |
| Q2(b)                            | Income statement                                   | 9 / 9   |
| Accounting section / grand total |                                                    | 21 / 21 |

## Marking basis and uncertainty

The supplied materials are the attached BAFS marking skill, a one-page question paper and a two-page student answer sheet. No official marking scheme or worked answer was supplied. Answers were solved independently before comparison. The printed maxima are 8, 4 and 9 marks; individual point allocations and follow-through rules are inferred, so the score is provisional. Confidence in the numerical correctness is high; confidence in the precise examiner allocation is lower.

## Overall feedback

All inventory adjustments, the \$51 weighted average unit cost, closing inventory of \$28,050 and net profit of \$97,350 are correct. Sale-or-return goods and the fire loss are treated appropriately. Add the label ‘Net profit’ beside the last figure in Q2(b). This is a presentation improvement, with no deduction under the inferred rubric.

Annotation key: open green ticks confirm correct work; dark blue numbers show inferred points awarded. Question score boxes remain beside the relevant answers. Right-hand panels contain feedback only. The original pages are reproduced at full size and at their original horizontal position.

Answers written in the margins will not be marked.

|                                                                                           |           |       |
|-------------------------------------------------------------------------------------------|-----------|-------|
| 1) Statement to calculate the inventory value as at 31 March 2021                         | \$        | \$    |
| Inventory valued as at 8 April 2021                                                       |           | 44780 |
| Add: Sales, at cost<br>( $\$7540 \div 125\%$ )                                            | 6032 ✓ +1 |       |
| Goods sent to customer on sale-or-return basis, at cost<br>( $\$2000 \times (1 - 45\%)$ ) | 1200 ✓ +1 |       |
| ✓ +1 Goods drawn by owner, at cost<br>( $\$720 \div 125\%$ )                              | 576       | 7806  |
|                                                                                           |           | 52588 |
| Less: Purchases                                                                           | 4560 ✓ +1 |       |
| Returns inwards, at cost<br>( $\$2500 \div 125\%$ )                                       | 2000 ✓ +1 |       |
| Goods revalued at net realisable value<br>[ $\$1100 - (\$700 - \$100)$ ]                  | 500 ✓ +1  |       |
| ✓ +1 Goods wrongly recorded<br>( $\$3000 - 400 \times \$6$ )                              | 2400      | 9460  |
| Inventory value as at 31 March 2021                                                       | ✓ +1      | 43128 |

Q1: 8 / 8

$$\begin{aligned}
 2a) \text{ Average unit cost} &= \frac{600 \times \$40 + 200 \times \$60 \times (1 - 20\%) + 800 \times \$56}{800 + 200 + 800 + 600} \\
 &= \frac{36000}{3400} \\
 &= \$51 \quad \checkmark +1 \\
 \text{Amount of closing inventory} &= \$51 \times (800 + 200 + 800 - 100 + 600 - 150 - 700) \\
 &= \$28050 \quad \checkmark +1
 \end{aligned}$$

Q2(a): 4 / 4

**MARKER COMMENTS**

Answer-sheet page 1 · Mode A

Provisional · inferred point allocations

**Q1 · Reverse the April movements**

Correct: add sales at cost \$6,032 and drawings at cost \$576; deduct purchases \$4,560 and returns inwards at cost \$2,000.

**Q1 · Ownership and valuation**

Correct: include the unaccepted 60% of sale-or-return goods, \$1,200. Reduce obsolete goods by \$500 because net realisable value is \$700 - \$100 = \$600. Correct the overstatement by \$2,400.

**Q1 · Final inventory**

The adjusted inventory value is \$43,128. All seven adjustment points and the final-result point are awarded under the inferred allocation.

**Q2(a) · Weighted average cost**

Correct periodic weighted average: total cost \$122,400 ÷ 2,400 units = \$51 per unit. The trade discount is correctly deducted. Closing quantity is 550 units and closing inventory is \$28,050.

**Q2(a) · Inferred allocation**

One point each: net purchase cost in the averaging calculation; average unit cost; closing quantity calculation; closing inventory value. The correct quantity calculation earns credit without a separate '550 units' line.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

|                                                      |        |        |        |
|------------------------------------------------------|--------|--------|--------|
| Kaspar Company                                       |        |        |        |
| Income Statement for the year ended 31 December 2026 |        |        |        |
|                                                      | \$     |        | \$     |
| Sales (1000 x \$120 + 700 x \$140)                   |        | ✓ +1   | 218000 |
| Less: cost of goods sold                             |        |        |        |
| Opening inventory (800 x \$40)                       | 32000  | ✓ +1   |        |
| Add: Purchases                                       | 90400  | ✓ +1   |        |
| (200 x \$60 x ((1-20%)+ 800 x \$50 + \$36000)        | 122400 |        |        |
| Less: Abnormal inventory loss (150 x \$51)           | 7650   | ✓ +1   |        |
|                                                      | 114750 |        |        |
| ✓ +1 Less: Closing inventory                         | 28050  |        | 86700  |
| Gross profit                                         |        | ✓ +1   | 131300 |
| Less: Other expenses                                 |        |        |        |
| Salaries                                             | 16800  | ✓ +0.5 |        |
| Rent                                                 | 11000  | ✓ +0.5 |        |
| Abnormal inventory loss                              | 6150   | ✓ +1   | 33950  |
| (7650 - 10 x 150)                                    |        | ✓ +1   | 97350  |
| Q2(b): 9 / 9                                         |        |        |        |

Answers written in the margins will not be marked.

MARKER COMMENTS

Answer-sheet page 2 · Mode A  
Provisional · inferred point allocations

Q2(b) · Trading section

Sales \$218,000, opening inventory \$32,000 and purchases \$90,400 are correct. Excluding the abnormal fire loss of \$7,650 from goods available for sale is correct. Closing inventory is \$28,050, cost of goods sold \$86,700 and gross profit \$131,300.

Q2(b) · Expenses and insurance

Salaries \$16,800 and rent \$11,000 are correct. The agreed insurance recovery is \$1,500, recognised for 2026 even though payment is due in 2027. The net fire loss is therefore \$6,150; deducting it as an expense is acceptable.

Q2(b) · Final profit and presentation

Total expenses are \$33,950 and net profit is \$97,350. Add 'Net profit' beside this final figure. No presentation mark has been invented or deducted.

Q2(b) · Inferred allocation

One point each: sales; opening inventory; purchases; fire loss excluded from cost of sales; closing inventory; gross profit; net fire-loss expense; net profit. Salaries and rent receive half a point each. The cost-of-sales subtotal is checked but has no separate inferred point.