

Assessor Marking Guide

PAST PAPER Written 1 Task MARKING GUIDE Establish & Manage Agency TRUST Accounts

Question 1

Using the following Trust Cash Book details provided by RC Realty, you are required to correctly complete the:

- Trust Cash Book
- Trust Ledger
- Trust Trial Balance as at 30th June, 2015.

Use the cash book and ledgers supplied in this paper to complete this task

Students should note the following:

- The Trust Ledger and Trust Trial Balance are to be completed so as to comply with the Property, Stock and Business Agents Act 2002, the 2003 Regulation and the Amendment Regulation under the Act.
- The next Trust Receipt Number to be issued is Number 201 and the next Trust Cheque Number is Number 601.
- All trust receipts and payments are by cheque unless otherwise stated.
- All transactions are GST free unless stated.
- The accounts in the Trust Ledger had the following balances as at 1st June, 2015.

100 Trust Account	\$12,850 Debit
110 Marsden to Harrington (10% deposit)	10,000 Credit
200 Rental Bond Suspense	2,850 Credit

June 2015

- 1st** Received \$140,000 (10% deposit) from R Moses for a commercial property owned by D Darrell. Both parties agreed for this amount to be deposited in an interest bearing account with the ANZ Bank until settlement takes place, at which time interest earned thereon is to be shared equally between the two parties. The cheque was cleared and invested on this day.
- 2nd** Received \$24,000 from J Johnson being 10% deposit on a property owned by R Samson.
- Obtained a new tenant S Freedman, for a property owned by L Lilyfield. Weekly rent payable is \$280. The tenant paid cash, representing \$560 rent, and \$1,120 for the bond.
- 4th** Obtained a new tenant S Peters – owner R Ruthers. S Peters paid to cheques. One for 2 weeks rent, \$800, and the other – made payable to the Rental Bond Board, for bond \$1,600.
- 7th** The sale M Marsden and H Harrington was settled and the balance of the deposit forwarded to the vendor's solicitor after deducting sales commission of \$5,600.
- Paid J Jiffy \$78 for cleaning property owned by L Lilyfield.
- Paid the Rental Bond Board all outstanding money

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- 8th** Paid \$190 for the agency's telephone account.
Paid Sun Newspaper \$960 for the advertising account for the properties which are to be auctioned next month.
- 10th** Received 2 weeks rent from S Freeman
Paid sales staff their wages and bonuses. The total amounted to \$3,600.
- 12th** Received a cheque for S Peters for rent \$400.
- 15th** Paid the monthly petrol account \$169.
- 17th** Received \$5,800 commission from Merry Realty, for a conjunction sale.

Cheque received from S Peters was dishonoured. The tenant agreed to pay cash which was banked this day.
- 21st** Paid X Timber \$310 for repairs to fences – owner R Ruthers.
- 23rd** Paid \$670 valuation fees to E Smith, a qualified valuer.
- 25th** Mr T Chee transferred \$324,000 from his bank in China to Ross Campbell Realty Trust Account, being a 5% deposit on a property owned by Mr J Bond.
- 28th** Settled the sale, R Moses and D Darrell. The initial investment plus interest earned of \$840 was banked in the Trust Account. Cheques were drawn including a cheque for commission. Commission inclusive is 2.1% of the sale price.
- 29th** Settled L Lilyfield account for June, property management fees amounted to the amount of \$67.

Paid \$350 council rates on behalf of R Ruthers to Renwick Municipal Council.

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TRUST CASH BOOK – RECEIPTS Marking Guide

Receipt Side PRESTON REALTY TRUST RECEIPT BOOK TEACHER							TC1	
DATE	REC. NO.	TYPE	RECEIVED FROM	ON ACCOUNT OF	L.F.	TRANS-ACTION	AMOUNT	BANK
2015 June 1			Bal/fwd				12,850	12,850
	201	Chq	Moses	Darrell/Moses	210	Deposit	140,000	140,000
2	202	Chq	Johnson	Samson/Johnson	220	Deposit	24,000	
	203	Cash	Freedman	Lilyfield	230	Rent	560	
	204	Cash	Freedman	RBB Suspense	200	Bond	1,120	25,680
4	205	Chq	Peters	Ruthers	240	Rent	800	800
10	206	Chq	Freedman	Lilyfield	230	Rent	560	560
12	207	Chq	Peters	Ruthers	240	Rent	400	400
17	208	Cash	Peters	Ruthers	240	Rent	400	400
25	209	EFT	Chee	Bond/Chee	250	Deposit	324,000	324,000
28	210	Chq	Any bank	Darrell/Moses	210	Dep/Interest	140,840	140,840
			SUBTOTAL				645,530	645,530
			<i>(less CshPmts 296,990)</i>	<i>c/d</i>				348,540

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TRUST CASH BOOK – PAYMENTS Marking Guide

PRESTON REALTY TRUST PAYMENT BOOK TEACHER						
Payment Side						TC1
DATE	CHQ NO.	PAYEE	ON ACCOUNT OF	L.F.	TRANSACTION	BANK
2015 June 1	601	Any bank	Darrell/Moses	210	Investment	140,000
7	602	Preston Realty	Marsden/Harrington	110	Commission	5,600
	603	Harrington	Marsden/Harrington	110	Settlement	4,400
	604	Jiffy	Lilyfield	230	Cleaning	78
	605	RBB	RBB Suspense	200	Bond	3,970
17	---	---	Ruthers	240	Dishonour Chq reversal	400
21	606	Timber	Ruthers	240	Repairs	310
28	607	Preston Realty	Darrell/Moses	210	Commission	29,400
	608	Moses	Darrell/Moses	210	½ interest buyer	420
	609	Darrell	Darrell/Moses	210	Settlement & ½ interest	111,020
29	610	Preston Realty	Lilyfield	230	Commission	67
	611	Lilyfield	Lilyfield	230	Settlement	975
	612	Renwick council	Ruthers	240	Rates	350
		SUBTOTAL				296,990
		c/d				348,540
						645,530

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LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 100			
TRUST BANK					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 1	Balanced brought forward	TC1	\$	\$	\$ 12,850 Dr
30	Receipts	TC1	632,680		645,530 Dr
	Payments	TC1		296,990	348,540 Dr

LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 110			
Marsden/Harrington					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 1	Balance forward	TC1	\$	\$	\$ 10,000 Cr
7	Commission	TC1	5,600		4,400 Cr
	Settlement	TC1	4,400		Nil

LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 200			
Rental Bond Board Suspense					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 1	Balance brought fwd	TC1	\$	\$	\$ 2,850 Cr
2	Freedman-Bond	TC1		1,120	3,970 Cr
7	Rental Bond Board	TC1	3,970		Nil

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LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 210			
Darrell/Moses					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 1	Moses deposit	TC1	\$	\$ 140,000	\$ 140,000 Cr
	Any bank/Investment	TC1	140,000		Nil
28	Any bank/Invest' Interest	TC1		140,840	140,840 Cr
	Commission	TC1	29,400		111,440 Cr
	Moses ½ interest paid	TC1	420		111,020 Cr
	Settlement / ½ interest	TC1	111,020		Nil

LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 220			
Samson/Johnson					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 1	Johnson deposit		\$	\$ 24,000	\$ 24,000 Cr

LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 230			
Lilyfield					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 2	Freedman rent	TC1	\$	\$ 560	\$ 560 Cr
7	Jiffy - cleaning	TC1	78		482 Cr
10	Freedman rent	TC1		560	1,042 Cr
29	Commission	TC1	67		975Cr
	Settlement	TC1	975		Nil

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LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 240			
Ruthers					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 4	Peters - rent	TC1	\$	\$ 800	\$ 800 Cr
12	Peters - rent	TC1		400	1,200 Cr
17	Peters - dishonour chq	TC1	400		800 Cr
	Peters - rent (cash)	TC1		400	1,200 Cr
21	Timber - repairs	TC1	310		890 Cr
29	Renwick - rates	TC1	350		540 Cr

LEDGER ACCOUNT NAME: Marking Guide		ACCOUNT NUMBER 250			
Bond/Chee					
DATE	PARTICULARS	L.F.	DEBIT	CREDIT	BALANCE
2015 June 25	Chee - deposit	TC1	\$	\$ 324,000	\$ 324,000 Cr

TRIAL BALANCE AS AT 30th JUNE 20XX **Marking Guide**

NAME	L.F.	DEBIT	CREDIT
Trust Bank	100	\$ 348,540	\$
Samson / Johnson	220		24,000
Ruthers	240		540
Bond / Chee	250		324,000

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Written Task Event Two

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Satisfactory (S) Unsatisfactory (US)

Written Task 2. Question 1

Using the modified Trust Cash Book and the Trust Bank Statement outlined below for Evolve Realty, you are required to prepare

- (a) A Trust Bank Reconciliation as at 30 June 20XX, and,
- (b) You are entitled to assume the bank statement is correct.

NOTE: Evolve Realty has made previous arrangement to have bank charges debited to the General Cash Account.

Assume that the Trust Bank Statement figures are correct.

**Evolve Realty
Trust Bank Reconciliation
As at 30 June, 20XX.**

Debit balance as per Trust bank Statement	\$ 5,536.00
Add outstanding deposits 30/06/XX \$570.00	\$570.00
	\$6,106.00
Less unrepresented cheques Chq 511 \$ 240.00 Chq 513 \$ 65.00 Chq 514 \$ 612.00 Chq 516 \$ 90.00 Chq 517 \$ 11.00	\$1,018.00
Debit balance as per Trust Cash Book Debit balance Trust Cash Book 30/06/XX	\$5,088.00

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National Bank of Australasia				
Statement for: Evolve Realty				
Date 20XX	Particulars	Debit	Credit	Balance
June 1	Brought forward			470.00 CR
2	Deposit		200.00	670.00 CR
7	Deposit		1,450.00	2,120.00 CR
9	510	250.00		1,870.00CR
19	Deposit		1,971.00CR	3,841.00 CR
	512	370.00		3,471.00 CR
28	Deposit		2,910.00	6,381.00 CR
	515	845.00		5,536.00 CR

Evolve Realty						
TRUST CASH BOOK (Simplified)						
RECEIPTS			PAYMENTS			
Date	Particulars	Bank	Date	Particulars	Chq No	Bank
Nov 1	Bal C/D	470.00	June 9	Payments	510	250.00
2	Receipts	200.00	10	Payments	511	240.00
7	Receipts	1,450.00	19	Payments	512	370.00
19	Receipts	1,971.00	20	Payments	513	65.00
28	Receipts	2,910.00	26	Payments	514	612.00
30	Receipts	570.00	28	Payments	515	845.00
			30	Payments	516	90.00
				Payments	517	11.00
				c/d		