

91176R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 2 Accounting, 2014

91176 Prepare financial information for an entity that operates accounting subsystems

2.00 pm Wednesday 26 November 2014

Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91176.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE ONE

The following trial balance and additional information relate to *Appliances4U* for the year ended 31 March 2014.

<i>Appliances4U</i>			
Trial Balance			
as at 31 March 2014			
	\$		\$
Accounts receivable	23 850	Accounts payable	15 550
Advertising	22 000	Accumulated depreciation office equipment	12 000
Bad debts	2 000	Accumulated depreciation delivery van	20 000
Buildings	500 000	Accumulated depreciation buildings	40 000
Cost of goods sold	400 000	Allowance for doubtful debts	400
Delivery van	60 000	Bank	4 000
Drawings	38 000	Capital	450 000
Interest on mortgage	14 000	GST	7 400
Inventory	85 000	Mortgage	300 000
Land	200 000	Rent received	19 500
Office electricity	8 000	Sales	950 000
Office equipment	56 000		
Office expenses	40 000		
Office wages	115 000		
Sales staff wages	210 000		
Shop electricity	15 000		
Shop expenses	30 000		
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Additional Information

- Interest on the mortgage owing \$1 000
- Depreciation on office equipment is \$3 000 p.a.
- Depreciation on buildings is an administrative expense and is 2% p.a.
- The units of use method is used to depreciate the delivery van. The delivery van has an estimated useful life of 80 000 km and residual value of \$15 000 and travelled 8 000 km in the year ended 31 March 2014
- A further bad debt of \$1 150 including GST is to be written off
- The allowance for doubtful debts is to be adjusted to 2% of accounts receivable
- *Appliances4U* rents out office space for \$1 725 including GST per month. This space was rented out for the full year

RESOURCE TWO

Part A

The following information relates to *Officeworld* for the year ended 31 March 2014:

- Accounts payable balance 1 April 2013 \$55 000
- Accounts payable balance 31 March 2014 \$70 000
- Accounts receivable balance 1 April 2013 \$82 000
- Accounts receivable balance 31 March 2014 \$65 000
- Invoices issued to *Officeworld's* credit customers totalled \$790 000
- Invoices received from *Officeworld's* suppliers totalled \$500 000
- Cash sales totalled \$400 000
- Marcus took out a \$45 000 business loan for *Officeworld*
- Bad debts for the year totalled \$12 000
- Credit notes issued by *Officeworld* totalled \$8 000
- Credit notes received by *Officeworld* totalled \$3 000
- Discounts given to *Officeworld's* credit customers totalled \$16 000
- Gain on sale of delivery van \$2 000
- Direct debits for insurance totalled \$5 000
- Direct credits for interest on term deposit totalled \$2 000

Part B

<i>Officeworld</i>			
Trial Balance (extract)			
as at 31 March 2014			
	\$		\$
Advertising	30 000	Accumulated depreciation van	19 000
Drawings	50 000		
Office wages	85 000		
Van	100 000		

Additional Information for the year ended 31 March 2014

- Office wages \$1 200 are owing
- Advertising \$2 000 excluding GST has been paid in advance
- Van depreciation is 10% diminishing value p.a.

RESOURCE THREE

The following trial balance extract and additional information relate to *Sportstime* for the year ended 31 March 2014.

<i>Sportstime</i>			
Trial Balance (extract)			
as at 31 March 2014			
	\$		\$
Accounts receivable	25 000	Accumulated depreciation on office equipment	20 000
Bank	12 000	Accumulated depreciation on shop equipment	10 000
Bad debts	2 500	Allowance for doubtful debts	600
Goodwill	15 000	Dividends received	400
GST	3 000		
Insurance	3 500		
Inventory	120 000		
Office equipment	60 000		
Office expenses	14 000		
Office supplies on hand	2 000		
Shares in <i>Boottime Ltd</i>	23 000		
Shop equipment	55 000		

Additional Information

- Dividends received owed to *Sportstime* \$600
- Insurance paid in advance \$500 excluding GST
- Depreciation on shop equipment is \$2 000 p.a.
- Office equipment is depreciated straight-line and has a residual value of \$10 000 and an estimated useful life of 5 years
- An invoice received is on hand for additional shop equipment purchased on credit during the month of March 2014 for \$5 175 including GST
- Inventory that cost \$22 000 excluding GST has a net realisable value of \$17 000 excluding GST
- Allowance for doubtful debts needs to be adjusted to 2% of accounts receivable
- During the year, shop equipment that had cost \$12 000 had been sold for its carrying amount of \$3 000. This information has already been included in the Trial Balance for balance day.
- The market value of the shares in *Boottime Ltd* on 31 March 2014 is \$24 000