



QUALIFY FOR THE FUTURE WORLD KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

### Level 2 Accounting, 2015

# 91177 Interpret accounting information for entities that operate accounting subsystems

2.00 p.m. Friday 20 November 2015 Credits: Four

## **RESOURCE BOOKLET**

Refer to this booklet to answer the questions for Accounting 91177.

Check that this booklet has pages 2–3 in the correct order and that none of these pages is blank.

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

#### **RESOURCE A: ANALYSIS MEASURES – FORMULAE SHEET**

Mark-up %	$\frac{\text{Gross profit}}{\text{Cost of goods sold}} \times \frac{100}{1}$	
Gross profit %	$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	
Distribution cost %	$\frac{\text{Distribution costs}}{\text{Sales}} \times \frac{100}{1}$	
Administrative expense %	Administrative expenses × 100 Sales 1	
Finance cost %	$\frac{\text{Finance costs}}{\text{Sales}} \times \frac{100}{1}$	
Net profit/profit for the year %	$\frac{\text{Profit for the year}}{\text{Sales}} \times \frac{100}{1}$	
Return on equity %	$\frac{\text{Profit for the year}}{\text{Average equity}} \times \frac{100}{1}$	
Rate of return on total assets %	$\frac{\text{Profit for the year + Interest}}{\text{Average total assets}} \times \frac{100}{1}$	
Current ratio	Current assets Current liabilities	
Liquid ratio	Current assets – (Inventory + prepayments) Current liabilities – Secured overdraft	
Equity ratio	Equity Total assets	
Inventory turnover	$\frac{\text{Cost of goods sold}}{\text{Average inventory}} = (\text{times per year})$	
Age of accounts receivable	$\frac{\text{Average accounts receivable}}{\text{Credit sales} \times 1.15} \times \frac{365}{1} = (\text{days})$	
Percentage change	$\frac{\text{(This year's figure - Last year's figure)}}{\text{Last year's figure}} \times \frac{100}{1}$	

#### **RESOURCE B**

<i>Perfect Pies</i> Statement of Cash Flows (extract)				
	2014	2015		
	\$	\$		
Cash payments				
Kitchen equipment	3000	32000		
Dining furniture	500	10 000		
Advertising	10000	18000		
Office wages	80 000	80 000		

#### **RESOURCE C**

Perfect Pies Income Statement Summary				
	2014	2015		
	\$	\$		
Sales (40% are credit)	780000	910000		
Cost of goods sold	600 000	700 000		
Gross profit	180 000	210000		
Total expenses	158000	169500		
Net profit	22000	40 500		

<i>Perfect Pies</i> Statement of Financial Position (extract)			
	2014	2015	
	\$	\$	
Current assets			
Bank	12000	14000	
Accounts receivable	30 000	35000	
Inventory	15000	16000	
Non-current assets	226000	268 000	
Total assets	283 000	333 000	
Liabilities			
GST payable	2000	3 500	
Accounts payable	14000	14 500	
Accrued expense	2000	1 500	
Loan (due 2020)	50 000	45000	
Total liabilities	68 000	64 500	
Equity	215000	268 500	