

**Assessment Schedule – 2022****Accounting: Demonstrate understanding of company financial statement preparation (91406)****Evidence****Question ONE**

(a)

**Go Rafting Limited General Journal**

15/12/21	Interim dividend		30 000	<b>PC</b>
	Bank	30 000		

**Two grades:****P** two correct stems with correct debit / credit entries, figures agree (may be incorrect)**C** P awarded plus correct figure**Go Rafting Limited Contributed Equity**

01/04/21	Balance			410 000	Cr	<b>P#C</b>
01/07/21	Bank		48 000	458 000	Cr	<b>P*C</b>

**Four grades:****P#** the balance grade with the correct stem "Balance" or "Opening balance" are acceptable, correct Cr indicator (may include figure in the credit column), figure may be incorrect. Important note this P# is NOT awarded if the account has been closed.**P\*** whole line is marked, bank / cash as particulars, a figure in the credit column, correct balancing, and Cr indicator.**C** P# or P\* have been awarded for the line, add C for the correct figure – \$410 000 for the balance, \$48 000 for the credit entry.

(b)

**Go Rafting Limited Notes to The Financial Statements (extract)**

<b>Distributions</b>	<b>Cents per share</b>	<b>\$</b>	
Final dividend (2021)	40	72 000	<b>PC</b>
Interim dividend (2022)	15	30 000	<b>PC</b>
Total distributions / dividends		102 000	

**Four grades:****P** for correct stem with correct \$ figure**C** for correct cents per share**Dividends declared after reporting date**

On 15 May 2022 directors proposed a final dividend for 2022 of 35c per share (P), totalling \$70 000 (C), to be paid on 1 June 2022 (P\*).

**Three grades:****P** refers to final dividend 2022 and 35c per share

OR

**C** above and includes the correct dollar total

(c)

**Go Rafting Limited Statement of Financial Position (extract) as at 31 March 2022**

<b>Current Liabilities</b>		
Accounts payable	17 100	P
Loan (9 months)	30 000	P
Accrued expense	5 000	C
Income in advance	28 000	C
Tax payable	21 300	C
<b>Total current liabilities</b>	<b>101 400</b>	<b>C*</b>

**Note:** if GST included as a negative figure 99 600 C\*

**Seven grades:**

**P** correct stem and correct figure, loan does not need brackets

**C** appropriate stem and correct figure

**C\*** correct total \$101 400 OR \$99 600 (see **Note** above)

No follow through

**(d) One grade only**

Shares in <i>RLS Limited</i> decreased, which decreased current assets OR The decrease in the fair value is an expense therefore it decreased profit.	<b>M</b>
The shares in <i>RLS Limited</i> have decreased in value by \$4 000 (from \$84 000 to \$80 000) decreasing the current asset financial assets by \$4 000 because the shares are held for trading. The \$4 000 decrease in fair value of financial assets / shares is reported as an expense, decreasing profit for the year by \$4 000, therefore decreasing retained earnings in equity.	<b>E</b>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
5 grades	7 grades	8 grades including 4 <b>C</b>	9 grades including 4 <b>C</b>	10 grades including 6 <b>C</b>	12 grades including 6 <b>C and M</b>	15 grades including 7 <b>C and E</b>	16 grades including 8 <b>C and E</b>

**Question TWO**

(a)

**Go Rafting Limited General Journal**

31/03/22	Accumulated depreciation – buildings	12 000		PC
	Buildings		12 000	

**Two grades:**

**P** two correct stems with correct debit / credit entries, figures agree (may be incorrect)

**C** P awarded plus correct figure

**Buildings revaluation surplus**

31/03/22	Balance			20 000	Cr	<b>P*</b>
	Buildings		27 000	47 000	Cr	<b>P#C</b>

**Three grades:**

**P\*** particulars balance, correct figure and indicator (Cr), figure may also be in the credit column; do not award this balance grade if the account is then closed.

**P#** particulars buildings (abbreviation okay) a figure (may be incorrect) in the credit column with correct process in balance column, increasing credit balance and Cr indicator

**C** P# awarded and figure is correct

(b)

**Go Rafting Limited Statement of Comprehensive Income (extract)  
for the year ended 31 March 2022**

Profit before tax	263 000	
(Income) tax (expense)	(73 600)	<b>P<sup>M</sup></b>
(Net) Profit (for the year) (after tax)	189 400	
<b>Other comprehensive income</b>		
Gain on revaluation buildings	27 000	<b>P#C</b>
Total comprehensive income for the year	216 400	<b>P*</b>

**Four grades:**

**P<sup>M</sup>** correct stem, correct figure, correct treatment (contributes to M5)

**P#** correct stem (must refer to gain or increase), ignore figure

**C** correct figure with P# awarded first, allow follow-through of figure from (a) credit entry in Buildings revaluation surplus account

**P\*** correct process – Other comprehensive income includes a reference to revaluation of building – ignore incorrect figure

**F** calling the 27 000 Buildings revaluation surplus means no P# or C, including Buildings revaluation surplus with any other figure is FOREIGN

(c)

**Go Rafting Limited Notes to the Financial Statements (extract)**

Revenue		
Accommodation revenue	388 000	<b>P</b>
Rafting revenue	630 000	<b>P#C#</b>
	1 018 000	

**Go Rafting Limited Notes to the Financial Statements (extract)**

Property, plant and equipment (extract)		
	Buildings	
For the year ended 31 March 2022		
Opening carrying amount	440 000	<b>C</b>
(Less) Depreciation	(2 000)	<b>P</b>
(Plus) Revaluation (gain)	27 000	<b>P#C#</b>
Closing carrying amount	465 000	<b>P*</b>

**Eight grades:**

**P** correct stem, correct figure, correct treatment

**C** correct figure

**P#** correct stem, a figure, correct treatment

**C#** if P# awarded, award C for correct figure

**P\*** correct process including both the depreciation and the revaluation (ignore incorrect figures)

**(d) One grade only**

The provisional tax (\$52 300) represents the amount of tax already paid to the IRD so the tax payable current liability is offset / reduced	<b>M</b>
The provisional tax \$52 300 represents the amount of tax already paid to the IRD / government based on this year's profit. For the year, <i>Go Rafting Limited's</i> (total) tax expense is \$73 600; but of this, \$52 300 has already been paid, so the tax payable current liability is reduced, being \$21 300 (73 600 minus 52 300), by the amount already paid for tax.	<b>E</b>

N1	N2	A3	A4	M5	M6	E7	E8
3 grades	5 grades	7 grades including 3 <b>C</b>	9 grades including 3 <b>C</b>	11 grades including 4 <b>C</b> and <b>M</b> or <b>P<sup>M</sup></b>	13 grades including 4 <b>C</b> and <b>M</b>	15 grades including 5 <b>C</b> and <b>E</b>	17 grades including 5 <b>C</b> and <b>E</b>

**Question THREE**

(a)

**Working**

Working that can be used for marking purposes (other working not included)			
Working can take the form of ledger accounts			
All working figures in \$000			
<b>Accounts receivable</b>		<b>Accounts payable</b>	
Opening balance	87	Opening balance	25
Minus closing balance	(104)	Minus closing balance	(50)
Add sales	3 920	Minus opening inventory	(242)
Minus bad debts	(3)	Plus closing inventory	290
<b>Cash from customers</b>	<b>3 700</b>	Add cost of goods sold	1 940
		Minus discount received	(10)
		<b>Cash paid to suppliers</b>	<b>1 953</b>
<b>Vehicles</b>			
<b>Vehicle Trade-in</b>		<b>Vehicle Purchase</b>	
Carrying amount	15	Closing cost	165
Less loss on trade-in	(3)	Minus opening cost	(150)
Trade-in allowance	12	Plus cost of vehicle sold	40
		Minus trade-in allowance	(12)
		<b>Purchase of vehicle (cash)</b>	<b>43</b>

**TPK Limited Statement of Cash Flows (extract) for the year ended 31 March 2022**

	\$000	\$000	\$000	
<b>Operating activities</b>				
<i>Cash was provided from</i>				
Customers / sales /accounts receivable		3 700		<b>W or C</b>
<i>Cash was applied to</i>				
Suppliers / purchases / accounts payable	1 953			<b>W or C</b>
Interest (on mortgage)	40			<b>A or C</b>
Tax(ation) / income tax	159			<b>A or C</b>
(General) Expenses	548			<b>A or C</b>
Wages / employees	585	3 285		<b>A or C</b>
OR Expenses (as a total)	1133			<b>AA or CC</b>
Net cash from operating			415	<b>P* C*</b>
<b>Investing activities</b>				
<i>Cash was provided from</i>				
(Sale of) equipment		13		<b>A or C</b>
<i>Cash was applied to</i>				
(Purchase of) equipment	100			<b>A or C</b>
(Purchase of) vehicle	43	143		<b>W or C</b>
Net cash from investing			(130)	<b>P* C*</b>

**Eleven grades**

Grades awarded only if items correctly classified as operating or investing.

**A** appropriate stem but incorrect figure

**W** appropriate stem with some correct working (only award W if C not awarded and some easily identifiable correct working evident in working box)

**C** appropriate stem and correct figure

**For Expenses** (combination of Wages and General):

**AA or CC** could be combined as 1 133 for two C grades; if incorrect total, award one C for correct working for either one in the working box where the working has the correct cash figure

**P\*** process for net cash is correct with all items present, no extra or foreign items, ignoring incorrect figures

**C\*** correct stem and correct figure for net cash

**F** non-cash items, for example trade in and loss on sale, cannot be included in cash flow

foreign items do not include misclassified items within the sections of the cash flow statement

(b)

**TPK Limited General Ledger Retained Earnings**

01/04/21	Balance			285 000	Cr	<b>P</b>
31/03/22	Profit (for the year) / income summary		390 000	675 000	Cr	<b>P</b>
	Dividends (paid / interim / final)	150 000		525 000	Cr	<b>P#C</b>

**Four grades:**

**P** line correct with appropriate stem and correct figure (note can be all in \$000, i.e. no zeros, even if columns not headed up by the candidate with \$000)

**P#** line correct with appropriate stem and a figure in the balance correct Cr indicator

**C** as above but with correct figure

Note: a candidate who chooses to turn this ledger into T form should not be penalised but cannot be awarded the P# for \$525,000 closing balance if it has not been “brought down to the credit side”.

**(c) One grade only**

Dividends paid will be reported in the financing section of the cash flow statement. This will decrease the net cash from financing (be an outflow or applied cash) <b>OR</b> Dividends paid will decrease the closing bank balance	<b>M</b>
Dividends paid of \$150,000 will be reported as an outflow / applied to / money out / cash out in the financing section of the cash flow statement. This will decrease the net cash from financing, which will decrease the closing bank balance.	<b>E</b>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
4 grades	5 grades	7 grades including 5 <b>C</b>	8 grades including 5 <b>C</b>	11 grades including 7 <b>C</b> Max 1 <b>F</b>	11 grades including 7 <b>C</b> and <b>M</b> No <b>F</b>	13 grades including 9 <b>C</b> and 1 <b>C*</b> PLUS <b>E</b> No <b>F</b>	14 grades including 10 <b>C</b> and 2 <b>C*</b> PLUS <b>E</b> No <b>F</b>

**Cut Scores**

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 7	8 – 14	15 – 19	20 – 24