

90978



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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SUPERVISOR'S USE ONLY

## Level 1 Accounting, 2011

### 90978 Prepare financial statements for sole proprietors

2.00 pm Tuesday 15 November 2011

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial statements for sole proprietors.	Prepare in-depth financial statements for sole proprietors.	Prepare comprehensive financial statements for sole proprietors.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

**You should attempt ALL the questions in this booklet.**

Pull out Resource Booklet 90978R from the centre of this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–8 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

**TOTAL**

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You are advised to spend 60 minutes answering the questions in this booklet.

### **QUESTION ONE: INCOME STATEMENT**

Refer to Resource Booklet 90978R.

Prepare *Deidre's Dry Cleaning's* Income Statement for the year ended 31 March 2011.

Use the expense headings provided:

- dry-cleaning expenses
- administrative expenses
- finance costs.

Do NOT use abbreviations.

**Deidre's Dry Cleaning**  
**Income Statement for the year ended 31 March 2011**

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	\$	\$	\$
<b>Revenue</b>			
<b>Less expenses</b>			
<b>Dry-cleaning expenses</b>			
<b>Administrative expenses</b>			
<b>Finance costs</b>			

**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**ASSESSOR'S  
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Refer to Resource Booklet 90978R.

Prepare the Statement of Financial Position with accompanying note for *Deidre's Dry Cleaning* as at 31 March 2011.

Do NOT use abbreviations.

<i>Deidre's Dry Cleaning</i> Statement of Financial Position as at 31 March 2011			
	\$	\$	\$
<b>Current assets</b>			
<b>Non-current assets</b>			
<b>Total assets</b>			
<b>Less liabilities</b>			
<b>Current liabilities</b>			

	\$	\$	\$
<b>Non-current liabilities</b>			
<b>Total liabilities</b>			
<b>Net assets</b>			
<b>Equity</b>			

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	<b>Building</b>	<b>Dry- cleaning machinery</b>	<b>Office equipment</b>	<b>Total</b>
	\$	\$	\$	\$

Depreciation is calculated on a straight-line basis at the following rates:

- building: \$3 600 per year
- \_\_\_\_\_ is based on a residual value of \$6 000, and a useful life of 11 years
- office equipment: \_\_\_\_\_

**QUESTION THREE: CASH BUDGET**

From the information provided below, prepare the cash budget for *Deidre's Dry Cleaning* for the month of September 2011. Circle the word "surplus" or "deficit" on the table, which matches the result.

**Assume that four weeks equals one month.**

Estimated transactions for September 2011:

- dry-cleaning fees to be received in cash: \$14 200
- electricity to be paid: \$300
- direct credit received every fortnight for rent: \$400
- invoices for dry-cleaning to be issued: \$2 600
- \$3 190 to be paid to accounts payable
- direct debit for interest is to be paid: \$300
- Deidre's drawings per week: \$900
- automatic payment for dry-cleaners' wages: \$600 per week
- invoices to be received for dry-cleaning supplies: \$8 900
- \$80 to be received from accounts receivable
- Deidre's free dry-cleaning for her family every month: \$100
- office stationery to be purchased by EFTPOS: \$48
- bank balance at 1 September 2011: \$820.

**Space for working if required**

**Deidre's Dry Cleaning**  
Cash budget for the month ending 30 September 2011

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	\$	\$
<b>Estimated cash receipts</b>		
<b>Total estimated cash receipts</b>		
<b>Estimated cash payments</b>		
<b>Total estimated cash payments</b>		
Surplus/deficit of cash (circle one)		
Opening bank balance		
Closing bank balance		

