

90978R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2011

90978 Prepare financial statements for sole proprietors

2.00 pm Tuesday 15 November 2011
Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer Questions One and Two for Accounting 90978.

Check that pages 2–3 contain printed material.

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

Deidre owns her own dry-cleaning business in Kaitaia.
She rents out one room in her shop to Brian, who runs a small clothing alteration business.

The following Trial Balance and additional information relate to *Deidre's Dry Cleaning* for the year ended 31 March 2011.

<i>Deidre's Dry Cleaning</i> Trial Balance as at 31 March 2011			
	\$		\$
Advertising	1 140	Accumulated depreciation – building	30 000
Bank	5 200	Accumulated depreciation – dry-cleaning machinery	22 000
Building	120 000	Accumulated depreciation – office equipment	4 500
Drawings	48 000	Capital	36 520
Dry-cleaning electricity	4 800	Dry-cleaning fees	198 000
Dry-cleaning machinery	50 000	GST payable	6 970
Dry-cleaning wages	90 000	Loan due 2015	20 000
Dry-cleaning supplies on hand	3 200	Mortgage	90 000
Dry-cleaning supplies used	48 000	Rent received	10 400
Goodwill	10 000		
Insurance	8 200		
Interest on loan	400		
Interest on mortgage	6 000		
Office electricity	600		
Office equipment	18 000		
Office expenses	4 850		
	\$418 390		\$418 390

Additional information:

- dry-cleaning wages owing: \$300
- advertising has been paid in advance: \$320, excluding GST
- rent of \$400 excluding GST has been received in advance
- depreciation on the building: \$3600 per year
- depreciation on the office equipment: 10% per year
- depreciation on the dry-cleaning machinery, based on a useful life of 11 years and a residual value: \$6000
- invoices issued to customers for dry-cleaning are on hand: \$805 including GST
- insurance expense is to be allocated: 75% for dry-cleaning and 25% for the office

