

90980R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2011

90980 Interpret accounting information for sole proprietors

2.00 pm Tuesday 15 November 2011
Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90980.

Check that page 2 contains printed material.

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

ANALYSIS RATIOS – FORMULAE SHEET

Mark-up %	$\frac{\text{Gross profit}}{\text{Cost of goods sold}} \times 100$
Gross profit %	$\frac{\text{Gross profit}}{\text{Sales}} \times 100$
Distribution costs %	$\frac{\text{Distribution costs}}{\text{Sales}} \times 100$
Administrative expense %	$\frac{\text{Administrative expenses}}{\text{Sales}} \times 100$
Finance cost %	$\frac{\text{Finance costs}}{\text{Sales}} \times 100$
Total expense %	$\frac{\text{Total expenses}}{\text{Sales}} \times 100$
Profit for the year %	$\frac{\text{Profit for the year}}{\text{Sales}} \times 100$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Liquid ratio	$\frac{\text{Current assets} - (\text{inventory} + \text{prepayments})}{\text{Current liabilities} - \text{bank overdraft (secured)}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
Percentage change	$\frac{\text{Year 2} - \text{Year 1}}{\text{Year 1}} \times 100$

