

90978



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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SUPERVISOR'S USE ONLY

Level 1 Accounting, 2012

90978 Prepare financial statements for sole proprietors

2.00 pm Tuesday 13 November 2012

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.

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.

In the space provided below and continued on page 3, prepare *Greta's Gifts'* Income Statement for the year ended 31 March 2012.

Use the expense headings:

- distribution costs
- administrative expenses
- finance costs.

Do NOT use abbreviations.

<i>Greta's Gifts</i>			
Income Statement for the year ended 31 March 2012			
	\$	\$	\$
Revenue			
Less cost of goods sold			
Cost of goods sold			
Gross profit			

**Continue your statement
on the following page**

	\$	\$	\$

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Note to the Statement of Financial Position:

1. Property, Plant and Equipment

	Office equipment	Shop fittings	Total
	\$	\$	\$

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

_____ is based on a residual value of \$200 and a useful life of 8 years.

Shop fittings: _____

QUESTION THREE: CASH BUDGET

From the information provided below, prepare the cash budget for *Greta's Gifts* for the month of October 2012. On the cash budget, circle the word, 'surplus' or 'deficit', that matches the result.

Assume that four weeks equals one month.

The estimated information for October 2012:

- purchases to be paid by direct debit, \$2 580
- loan principal payment every fortnight is \$100
- drawings of cash by Greta, \$1 300
- Greta plans to take home \$120 of gifts for family birthday presents in October
- invoices to be received for purchases, \$1 240
- sales for October are \$8 000, 90% for cash and 10% to be invoiced to customers who will pay after October
- shop rent to be paid by automatic payment is \$210 per week
- old shop fittings are to be sold for \$420 cash
- advertising to be paid by internet banking, \$2 000
- depreciation on the old shop fittings to be sold is \$800
- wages paid by automatic payment during the month, \$1 000
- bank balance at 1 October 2012: \$4 200 in overdraft.

Greta's Gifts
Cash Budget for the month ended 31 October 2012

	\$	\$
Estimated cash receipts		
Total estimated cash receipts		
Estimated cash payments		
Total estimated cash payments		
Surplus / Deficit of cash		
Opening bank balance		
Closing bank balance		

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