

91174



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

2

SUPERVISOR'S USE ONLY

## Level 2 Accounting, 2012

### 91174 Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems

9.30 am Friday 30 November 2012

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate in-depth understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate comprehensive understanding of accounting concepts for an entity that operates accounting subsystems.

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.**

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 2–11 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

ASSESSOR'S USE ONLY













**QUESTION FOUR**

Sarah has provided Tala with *Garden Services*' Income Statements for the past three years. Tala will use the Income Statements to help make his decision about whether to buy the business.

(a) Information has the qualitative characteristic of **faithful representation** when it is complete, neutral, and free from error.

(i) Explain how *Garden Services*' Income Statements are likely to meet the **neutral** requirement of the qualitative characteristic of **faithful representation**.

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(ii) Explain why it is important to Tala's **decision** about whether to buy the business that the Income Statements have the qualitative characteristic of **faithful representation**.

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