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NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

## Level 1 Accounting, 2013

### 90978 Prepare financial statements for sole proprietors

2.00 pm Tuesday 12 November 2013  
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 2–7 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 one hour answering the questions in this booklet.

### QUESTION ONE: INCOME STATEMENT

Refer to Resource Booklet 90978R.

Prepare the Income Statement for *Poppy's Party Supplies* for the year ended 31 March 2013.

Use the following expense headings:

- Distribution costs
- Administrative expenses
- Finance costs.

Do NOT use abbreviations.

<b><i>Poppy's Party Supplies</i></b>			
<b>Income Statement for the year ended 31 March 2013</b>			
	\$	\$	\$
<b>Revenue</b>			
<b>Less Cost of Goods Sold</b>			
<b>Add Other Income</b>			

	\$	\$	\$
<b>Less Expenses</b>			

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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

Refer to Resource Booklet 90978R.

Prepare the Statement of Financial Position, and accompanying note, for *Poppy's Party Supplies* as at 31 March 2013.

Do NOT use abbreviations.

<b>Poppy's Party Supplies</b>			
<b>Statement of Financial Position as at 31 March 2013</b>			
	\$	\$	\$

	\$	\$	\$

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Note to the Statement of Financial Position:

**1. Property, Plant and Equipment**

	Land and buildings	Office equipment	Shop fittings	Total
	\$	\$	\$	\$

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

Office equipment \_\_\_\_\_

\_\_\_\_\_ is based on a residual value of \$100, and a useful life of 5 years.

**QUESTION THREE: CASH BUDGET**

From the information provided below, prepare the Cash Budget for *Poppy's Party Supplies* for the month of November 2013.

Circle the word 'surplus' or 'deficit' on the table, which matches the result.

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

The estimated information for November 2013:

- sales for November are \$21 000, 80% for cash and 20% to be invoiced to customers who will pay after November
- *Poppy's Party Supplies* runs parties on commission occasionally and receives, in cash, 10% of the cost of the party. The cost of parties in November is \$10 000.
- wages paid by direct debit during the month: \$5 500
- drawings of cash by Poppy: \$500
- purchases to be paid by internet banking: \$13 100
- mortgage payment for November will be \$1 250
- interest on mortgage payment every fortnight is \$180
- Poppy took home some party supplies for her son's birthday: \$250
- invoices to be received for purchases: \$6 200
- new computer to be purchased, cost is \$1 500. 10% deposit to be paid and the rest on credit
- courier expenses to be paid: \$200
- cleaning is paid by automatic payment: \$120 a week
- Poppy will invest \$12 000 cash, and an office desk that cost \$300
- bank balance at 1 November 2013: \$780.

**Poppy's Party Supplies**  
**Cash Budget for the month ended 30 November 2013**

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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>		
<b>Surplus/Deficit of cash</b>		
<b>Opening bank balance</b>		
<b>Closing bank balance</b>		

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