

90978R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

## Level 1 Accounting, 2013

### 90978 Prepare financial statements for sole proprietors

2.00 pm Tuesday 12 November 2013  
Credits: Five

#### RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90978.

Check that this booklet has pages 2–3 in the correct order and that none of these pages is blank.

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

Poppy owns *Poppy's Party Supplies*, a busy party supplies store in Palmerston North that also sells online.

The following Trial Balance and additional information relate to *Poppy's Party Supplies* for the year ended 31 March 2013.

<b>Poppy's Party Supplies</b>			
<b>Trial Balance as at 31 March 2013</b>			
	\$		\$
Advertising	1 320	Accumulated depreciation on office equipment	4 500
Bank	1 400	Accumulated depreciation on shop fittings	6 200
Courier delivery expenses	1 830	Capital	150 000
Drawings	30 000	Commission received	12 600
Freight inwards	1 300	GST payable	4 200
Interest on mortgage	6 000	Mortgage	120 000
Inventory 1 April 2012	20 400	Purchase returns	7 000
Land and buildings	220 000	Sales	234 800
Office equipment	20 000		
Office expenses	3 100		
Office wages	5 900		
Purchases	135 000		
Sales returns	2 200		
Shop cleaning	6 000		
Shop fittings	12 500		
Shop telephone and internet	2 300		
Shop wages	61 350		
Website expenses	8 700		
	539 300		539 300

**Additional information:**

- Inventory 31 March 2013, \$21 800
- Shop wages owing \$400
- Advertising has been paid in advance: \$50 excluding GST
- Depreciation on the office equipment: \$2 000 per year
- Depreciation on the shop fittings is based on a useful life of 5 years, and a residual value of \$100
- There is no depreciation on the land and buildings
- Invoices issued for party supplies sold: \$575 including GST
- The website expenses are 90% for the shop and 10% for the office
- Invoices received for party supplies purchased: \$1 610 including GST.

