

91176R



Level 2 Accounting, 2013

91176 Prepare financial information for an entity that operates accounting subsystems

9.30 am Friday 29 November 2013
Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91176.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

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

RESOURCE ONE

The following trial balance and additional information relate to *Martha's Vehicle Repairs* for the year ended 31 March 2013.

| Martha's Vehicle Repairs | | | |
|--|---------|--|---------|
| Trial Balance as at 31 March 2013 | | | |
| | \$ | | \$ |
| Accountancy fees | 12 000 | Accounts payable | 12 000 |
| Accounts receivable | 12 500 | Accumulated depreciation on office equipment | 6 000 |
| Bad debts | 2 000 | Accumulated depreciation on workshop equipment | 40 000 |
| Bank | 30 000 | Allowance for doubtful debts | 400 |
| Drawings | 40 000 | Capital | 176 500 |
| Electricity | 45 000 | GST | 11 725 |
| Goodwill | 13 000 | Interest received | 1 000 |
| Interest on loan | 4 125 | Loan (10% p.a. due October 2025) | 45 000 |
| Mechanics' wages | 100 000 | Repair income | 350 000 |
| Office equipment | 25 000 | | |
| Office insurance | 5 000 | | |
| Parts on hand | 22 000 | | |
| Term deposit (5% p.a. matures July 2015) | 25 000 | | |
| Workshop equipment | 200 000 | | |
| Workshop expenses | 75 000 | | |
| Workshop rent | 32 000 | | |
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Additional information:

- Interest is owed on the term deposit \$250.
- Office insurance \$1 000 excluding GST has been paid in advance.
- An invoice issued on 31 March 2013 for repair work completed is on hand for \$1 380 including GST.
- Depreciation on the workshop equipment is 10% p.a. straight-line.
- Depreciation on the office equipment is straight-line. The office equipment has an estimated useful life of 10 years and a residual value of \$5 000.
- The electricity expense is to be allocated 80% to the workshop and 20% to the office.
- One month's interest is owing on the loan.
- The allowance for doubtful debts needs to be adjusted to 5% of accounts receivable.

RESOURCE TWO

| Flash Furniture Trial Balance (extract) as at 31 March 2013 | | | |
|--|---------|--|--------|
| | \$ | | \$ |
| Accounts receivable | 5 000 | Accounts payable | 25 000 |
| Delivery vans | 140 000 | Accumulated depreciation on delivery vans | 40 000 |
| Drawings | 45 000 | Accumulated depreciation on shop equipment | 20 000 |
| Shop equipment | 80 000 | | |
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Additional information for the year ended 31 March 2013:

- Accounts receivable balance 1 April 2012 \$6 000.
- Accounts payable balance 1 April 2012 \$30 000.
- Invoices received from *Flash Furniture's* suppliers totalled \$920 000.
- Invoices issued to *Flash Furniture's* credit customers totalled \$1 300 000.
- Discounts received from *Flash Furniture's* suppliers totalled \$8 000.
- Direct debits for business expenses totalled \$65 000.
- Direct credits for interest earned on a term deposit totalled \$1 500.
- Wages paid totalled \$120 000.
- Drawings included a new dining room table for Stacy's family costing \$11 500; all other drawings relate to payments for a family holiday and Stacy's monthly cash drawings.
- During the year a delivery van that cost \$60 000 with a carrying amount of \$15 000 had been sold. There was a loss of \$1 000 on the sale of the delivery van.
- A new delivery van costing \$69 000 was purchased for cash during the year.
- Depreciation on delivery vans is \$12 000.
- Depreciation on the shop equipment is 10% diminishing value.

RESOURCE THREE

The following trial balance (extract) and additional information relate to *Best Fashion* for the year ended 31 March 2013.

| Best Fashion | | | |
|--|---------|--|---------|
| Trial Balance (extract) as at 31 March 2013 | | | |
| | \$ | | \$ |
| Building | 500 000 | Accounts payable | 23 000 |
| Cost of Goods Sold | 300 000 | Accumulated depreciation on office equipment | 10 000 |
| Drawings | 60 000 | Bank | 20 000 |
| GST | 12 000 | Capital | 200 000 |
| Insurance | 6 000 | Loan | 12 000 |
| Inventory | 56 000 | Mortgage (due October 2030) | 180 000 |
| Office equipment | 50 000 | Rent received | 21 000 |
| Wages | 60 000 | | |
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Additional information:

- Wages \$2 500 are owing.
- Depreciation on office equipment is \$3 000 p.a.
- An invoice received is on hand for the purchase of new office equipment costing \$25 300, including GST.
- A local accountant rents office space in the building at a rate of \$1 500, excluding GST per month. The accountant has paid rent in advance.
- An annual insurance premium of \$2 400 excluding GST had been paid 30 June 2012.
- Inventory has a net realisable value of \$50 000.
- The loan is due on 25 January 2014.