

90978R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

## Level 1 Accounting, 2014

### 90978 Prepare financial statements for sole proprietors

2.00 pm Thursday 13 November 2014

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 neither of these pages is blank.

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

## RESOURCE

Matiu is a qualified mechanic and owns his own workshop, *Mighty Mechanics*, in Cambridge. He employs an apprentice mechanic, Georgia.

He rents out a garage at the back to a friend to store his boat.

The following Trial Balance and additional information relate to *Mighty Mechanics* for the year ended 31 March 2014.

<b><i>Mighty Mechanics</i></b>			
<b>Trial Balance as at 31 March 2014</b>			
	\$		\$
Accountancy fees	1 200	Accumulated depreciation on office equipment	900
Apprentice's wages	34 500	Accumulated depreciation on workshop equipment	1 400
Bank	11 200	Capital	179 000
Cleaning	5 000	Dividends received	1 000
Drawings	64 000	GST payable	3 200
Drycleaning of overalls	6 300	Loan (due 2020)	30 000
Interest on loan	1 700	Rent received	2 100
General workshop expenses	2 100	Workshop fees	107 400
Land and building	150 000		
Office equipment	3 100		
Office expenses	8 900		
Shares in <i>Parts 4 U Ltd</i>	10 000		
Telephone and internet (workshop)	2 000		
Workshop equipment	14 500		
Workshop supplies on hand	2 800		
Workshop supplies used	7 700		
	325 000		325 000

**Additional Information**

- Wages owing to the apprentice \$250
- Rent of \$300 excluding GST has been received in advance
- Telephone and internet for the workshop has been prepaid \$100 excluding GST
- Depreciation on the office equipment, \$400 per year
- Depreciation on the workshop equipment is based on a useful life of 7 years and a residual value of \$500
- Invoices issued to customers for workshop fees, \$345 including GST
- The cleaning is 80% for the workshop and 20% for the office
- Invoice received for workshop supplies on hand, \$299 including GST

