

91408



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

3

SUPERVISOR'S USE ONLY

Level 3 Accounting, 2015

91408 Demonstrate understanding of management accounting to inform decision-making

2.00 p.m. Monday 30 November 2015
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of management accounting to inform decision-making.	Demonstrate in-depth understanding of management accounting to inform decision-making.	Demonstrate comprehensive understanding of management accounting to inform decision-making.

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 91408R from the centre of 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 2–8 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

Refer to **Resource Booklet 91408R** to answer all questions.

Ignore GST, and provide detailed and labelled workings for all your calculations, which will be marked.

QUESTION ONE

- (a) Calculate the total number of *Hexton Bed and Breakfast (HBB)* unit rentals required per year to break-even if selling price is \$100 per unit per night, variable costs are \$35 per unit per night, and fixed costs are \$43 550 per year.

Break-even _____ (total number of unit rentals per year)

- (b) Explain what the break-even calculation means for *HBB*.

- (c) Bob and Wendy's goal is to earn as much per year from *HBB* as they did from their jobs in Auckland (i.e. make a profit of \$105 170). Calculate how many times on average *HBB* would have to rent out one unit to achieve this.

Target rental, on average,
for **one unit** per year to achieve a profit of \$105 170 _____

QUESTION TWO

- (a) Complete the cash budget below for *Hexton Bed and Breakfast (HBB)*, showing the receipts and payments for December 2014 (31 days), January 2015 (31 days), and February 2015 (28 days).

Hexton Bed and Breakfast
Cash Budget

	December	January	February
Receipts			
Cash			
Accounts receivable (tour operators)			
TOTAL RECEIPTS			
Less payments			
Mortgage principal and interest			
Insurance			
Other operating expenses			
Vehicle expenses			
Repairs and maintenance			
Drawings	1 000	1 000	1 000
Breakfast costs			
Cleaning costs			
TOTAL PAYMENTS			
Surplus (deficit) of cash			
Opening bank balance	2 000		
Closing bank balance			

