

91176R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

Level 2 Accounting, 2016

91176 Prepare financial information for an entity that operates accounting subsystems

2.00 p.m. Tuesday 22 November 2016

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 A

The following Trial Balance and additional information relate to *Gymtime* for the year ended 31 March 2016.

Gymtime			
Trial Balance as at 31 March 2016			
	\$		\$
Accounts receivable	60 000	Accounts payable	85 000
Advertising	35 000	Accumulated depreciation – delivery vans	45 000
Bad debts	2 500	Accumulated depreciation – equipment	25 000
Bank	33 900	Allowance for doubtful debts	1 400
Cost of goods sold	500 000	Capital	200 000
Delivery vans	90 000	Discount received	2 500
Delivery vans insurance	8 000	GST	4 500
Drawings	60 000	Loan	47 000
Equipment	100 000	Sales	995 000
Interest on loan	2 000		
Inventory	250 000		
Office expenses	16 000		
Office wages	45 000		
Sales returns	5 000		
Sales staff wages	120 000		
Shop electricity	18 000		
Shop rent	60 000		
	1 405 400		1 405 400

RESOURCE A CONTINUES ON PAGE 3

Gymtime Trial Balance: Additional information

- Office wages of \$1 200 are owing on balance day.
- Shop rent of \$4 000, excluding GST, has been paid in advance by *Gymtime*.
- Depreciation on equipment is 10% straight-line per annum, and is to be split 70% on distribution costs and 30% on administrative expenses.
- Gym workout clothing that cost \$8 000, excluding GST, has proven unpopular and is to be written down to its net realisable value of \$5 000, excluding GST.
- The delivery vans are depreciated on the units-of-use basis. Their estimated useful life is 250 000 km, and they have an estimated residual value of \$20 000, excluding GST. For the year ended 31 March 2016 they travelled 10 000 km.
- The allowance for doubtful debts is to be adjusted to 1.5% of accounts receivable.

RESOURCE B

The following Trial Balance extract and additional information relate to *Tentplanet* for the year ended 31 March 2016.

<i>Tentplanet</i>			
Trial Balance (extract) as at 31 March 2016			
	\$		\$
Accounts receivable	14 000	Accounts payable	23 000
Bad debts	1 500	Discount received	8 000
Discount allowed	2 000	Interest received	2 750
Drawings	50 000		
Term deposit (5% per annum)	60 000		

Additional information

- Accounts receivable balance at 1 April 2015 is \$12 000.
- Accounts payable balance at 1 April 2015 is \$25 000.
- Invoices issued to *Tentplanet* customers totalled \$125 000.
- Invoices received from *Tentplanet* suppliers totalled \$550 000.
- Credit notes issued to *Tentplanet* customers totalled \$15 000.
- Credit notes received from *Tentplanet* suppliers totalled \$5 000.
- *Tentplanet's* cash sales totalled \$800 000.
- Drawings for the year included cash and inventory. The drawings of inventory totalled \$1 000.
- New shop fittings costing \$6 000 were purchased on credit in March. A 20% deposit was paid, with the remainder to be paid in April 2016.
- Direct debits for office expenses totalled \$35 000.
- Direct credits for dividends received totalled \$950.
- Automatic payments for rent totalled \$20 000.
- Loss on sale of equipment was \$1 000.
- Wages paid to staff totalled \$225 000.
- A bad debt of \$1 265, including GST, needs to be written off.
- One month's interest is owing to *Tentplanet* on the term deposit.

RESOURCE C

The following Trial Balance (extract) and additional information relate to *Cleverclean* for the year ended 31 March 2016.

<i>Cleverclean</i>			
Trial Balance (extract) as at 31 March 2016			
	\$		\$
Accounts receivable	16 000	Accounts payable	15 000
Bad debts	2 000	Accumulated depreciation – buildings	40 000
Buildings	700 000	Accumulated depreciation – cleaning equipment	30 000
Cleaning equipment	150 000	Accumulated depreciation – computers	8 000
Cleaning supplies on hand	7 000	Allowance for doubtful debts	500
Computers	20 000	Bank	2 000
Drawings	75 000	Capital	500 000
Interest on loan	6 600	GST	7 500
		Loan (9% p.a., due 2025)	80 000
		Rent received	39 000

Additional information

- Interest of \$600 is owing on the loan.
- A yet to be recorded invoice is on hand for cleaning work completed in the last week of March: \$1 725, including GST.
- A yet to be recorded invoice is on hand for the purchase of new cleaning equipment: \$6 900, including GST.
- Depreciation on cleaning equipment is \$3 000 per annum.
- Depreciation on computers is 20% diminishing value.
- *Cleverclean* rents out space in the building for \$3 450, including GST, per month.
- Cleaning equipment that cost \$7 000, excluding GST, with a carrying amount of \$1 000, was sold during the year. This information has already been included in the Trial Balance for balance day.