

91176



NEW ZEALAND QUALIFICATIONS AUTHORITY
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SUPERVISOR'S USE ONLY

Level 2 Accounting, 2017

91176 Prepare financial information for an entity that operates accounting subsystems

9.30 a.m. Thursday 23 November 2017
Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial information for an entity that operates accounting subsystems.	Prepare in-depth financial information for an entity that operates accounting subsystems.	Prepare comprehensive financial information for an entity that operates accounting subsystems.

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 91176R 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 2–12 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

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Refer to **Resources A, B, and C** in **Resource Booklet 91176R** when answering questions **One, Two, and Three**.

QUESTION ONE

Garden4eva is a garden supply retail shop that also sells online from its website. It also offers a landscaping design service. The business uses a perpetual inventory system and is registered for GST on the invoice basis.

- (a) Using **Resource A**, prepare **General Journal** entries to record the following balance-day information. (Narrations are not required.)

Sales staff wages of \$5 000 are owing on balance day.

30/6/2017			

Close the Landscaping design fees account.

30/6/2017			

- (b) Using **Resource A**, prepare the fully classified **Income Statement** for *Garden4eva* on **page 3**. Group expenses under the following headings: Distribution costs, Administrative expenses, and Finance Costs. (Do NOT use abbreviations.)

<i>Garden4eva</i> Income Statement for the year ended 30 June 2017			
	\$	\$	\$

(c) Prepare the **General Journal** entry to **CLOSE** the **Income summary** account. (A narration is not required.)

30/6/2017			

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QUESTION TWO

Wai Jetboat Tours provides an exciting jet boat experience for tourists.

- (a) Using **Resource B**, prepare the cash payments section of *Wai Jetboat Tours*' Cash Flow Statement (extract) for the year ended 31 March 2017. Ignore GST. Show and fully label your working in the space below.

WORKING

<i>Wai Jetboat Tours</i>		
Cash Flow Statement (extract) for the year ended 31 March 2017		
	\$	\$
Cash payments		
Total cash payments		

At balance day **Tour revenue** included \$5 000, excluding GST, received in advance for jet boat tours in April 2017.

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- (b) Prepare the **General Journal** entry to record the **balance-day adjustment** for the \$5 000 received in advance. (A narration is not required.)

31/3/2017			

- (c) Use the General Journal entry in (b) to help complete the **General Ledger** accounts below for *Wai Jetboat Tours* to show this relevant balance-day adjustment and closing entries (if required) for the year ended 31 March 2017.

Tour revenue					
31/3/2017	Balance			\$1 600 000	Cr

Income in advance					
31/3/2017					

QUESTION THREE

Ice Cream Treat is a business that owns a fleet of ice cream vans. They sell ice creams in the street or at special events. The business is registered for GST on the invoice basis.

- (a) Using **Resource C**, prepare **General Journal** entries to record the following balance-day information. (Narrations are not required.)

Dividends received: \$1 000 of dividends are owing to the business on balance day.

31/3/2017			

Depreciation on vans at 15% per annum, diminishing value.

31/3/2017			

- (b) Using **Resource C**, complete the GST **General Ledger** account to show the relevant balance-day adjustment(s) and closing entry (if required) for the year ended 31 March 2017.

GST					
31/3/2017	Balance				

- (c) Prepare the Equipment section of the Property, Plant and Equipment note (extract) for *Ice Cream Treat*.

Note: Property, Plant and Equipment (extract)

	Equipment
	\$
For the year ended 31 March 2017	
Opening carrying amount	56 000
As at 31 March 2017	

QUESTION THREE CONTINUES ON THE NEXT PAGE >>

- (d) Using **Resource C**, complete the Liability section and Mortgage note for *Ice Cream Treat's* Statement of Financial Position.

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<i>Ice Cream Treat</i>		
Statement of Financial Position (extract) as at 31 March 2017		
	\$	\$
Current liabilities		
Non-current liabilities		
Total liabilities		

Note: Mortgage

Acknowledgements

Images from the following sources have been used in this examination.

Page	Source
2	https://clipartfest.com/categories/view/623e6c7083213ff9752fc695b3a43cfe956ae15f/plants-and-flowers-clipart.html
4	http://boats.iboats.com/research/2014-thunderjet-boats-luxor/1424201.html
6	https://clipartfest.com/categories/view/0ab5afcead0b82efd6e9547bd1609eb23d558234/icecream-van-clipart.html

