

91406



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SUPERVISOR'S USE ONLY

## Level 3 Accounting, 2017

### 91406 Demonstrate understanding of company financial statement preparation

2.00 p.m. Friday 10 November 2017  
Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of company financial statement preparation.	Demonstrate in-depth understanding of company financial statement preparation.	Demonstrate comprehensive understanding of company financial statement preparation.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

Pull out Resource Booklet 91406R from the centre of this booklet.

You should attempt ALL the questions in 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 2–10 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

**QUESTION ONE**

*Zambezi Books Limited (ZBL)* is a business that sells books online. On 1 April 2016, *ZBL* had Contributed Equity of \$500 000 comprising 250 000 shares.

- (a) (i) On 31 July 2016, one of the current shareholders asked the directors to repurchase her 20 000 shares in *ZBL*. The directors have agreed to do this at the current market value of \$3 per share. Prepare the General Journal entry to record this transaction:

***Zambezi Books Limited***  
**General Journal**

	<i>To record the share repurchase of 20 000 shares</i>		

- (ii) The directors approved an interim dividend of 15 cents per share to be paid on 30 September 2016. Prepare the Interim Dividend ledger account for the year ended 31 March 2017.

***Zambezi Books Limited***  
**General Ledger: Interim dividend 2017**


On 1 November 2016, 50 000 shares were issued through a sharebroker at a fair value of \$3.50 each. On 30 November 2016, *ZBL* received payment for the 50 000 shares less a 2% brokerage fee.

- (iii) Use relevant information from above to complete the Contributed Equity Note to the Statement of Financial Position for the year ended 31 March 2017.

***Zambezi Books Limited***  
**Note to the Financial Statements for the year ended 31 March 2017**

Contributed equity	Number of shares	NZ\$



**QUESTION TWO: STATEMENT OF CASH FLOWS**

Refer to **Resource A** in Resource Booklet 91406R to answer this question.

- (a) On the next page, complete *Titanium Braun Limited's* Statement of Cash Flows for the year ended 31 March 2017.

Show working in the space below. This may be used for marking purposes.

**WORKING**













