

91408R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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## Level 3 Accounting, 2017

### 91408 Demonstrate understanding of management accounting to inform decision-making

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

## RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91408.

Check that this booklet has information on pages 2 and 3 and that none of these pages is blank.

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

## CASE STUDY INFORMATION

**Note:** Ignore GST for all calculations.

*Haiku Sushi* is a sushi bar that has successfully operated for several years in the main street of a small New Zealand city. *Haiku Sushi* is owned by Mr and Mrs Nakamura. It offers customers a wide variety of sushi products made with fresh ingredients including seafood selected every morning from the local fish market.

The sushi is made on the premises. Most work is completed by Mr and Mrs Nakamura, and additional staff are hired only for peak times. *Haiku Sushi* is open Monday to Saturday (approximately 26 days per month).

### *Haiku Sushi* Budgeted Income Statement for the first quarter of 2017

	January	February	March
	\$	\$	\$
Sales	58 500	36 000	27 000
Wages and salaries	12 000	8 000	8 000
Shop rental	2 000	2 000	2 000
Other expenses	20 650	14 000	12 000
Cost of supplies	5 850	3 600	2 700
Profit/(Loss) for the period	18 000	8 400	2 300

**Additional information:**

- 70% of sales are for cash. The other 30% are sold on credit to the local schools (delivery is twice a week), who pay in the month following sale. There are no bad debts and no credit sales in January, as schools are closed for holidays.
- Both the Wages and salaries and the Shop rental expenses are paid in cash in the month they occur.
- Other expenses are also paid in cash in the month they occur, apart from \$1 500 per month for depreciation.
- 80% of the cost of supplies are paid in the month of purchase. The remaining 20% are paid in the following month.
- Mr and Mrs Nakamura have cash drawings of \$4 000 per month. This includes \$400 per week for rent, as the family lives in the accommodation above the shop.
- Automatic loan repayments total \$1 500 per month.
- An income tax instalment of \$12 000 is due on 28 February 2017.
- The budgeted bank balance on 31 January 2017 was \$9 500.

**Council plans:**

During December 2016, the local City Council has notified business owners of the following, which will start in February 2017:

1. All parking in the city area will be charged parking fees between the hours of 8.00 a.m. and 6.00 p.m. during the week and 8.00 a.m. to 2.00 p.m. on Saturdays. Parking will be free on Sundays and Public Holidays. This will be policed by parking wardens, who will issue fines. In the past, parking has been free and limited only by P120 (Parking for 120 minutes) signs.
2. The Council will commence work, planned to last for several months, that will involve digging up Main Street to upgrade sewer pipes. While the ground is open, workers will upgrade cabling for high speed broadband. Access for vehicles and customers will be challenging for at least six months.
3. The possible impacts of these council plans have been reflected in the Budgeted Income Statement for February and March 2017, shown on page 2.