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NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

SUPERVISOR'S USE ONLY

Level 1 Accounting, 2018

90978 Prepare financial statements for sole proprietors

9.30 a.m. Thursday 29 November 2018

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial statements for sole proprietors.	Prepare in-depth financial statements for sole proprietors.	Prepare comprehensive financial statements for sole proprietors.

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 90978R 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 2–8 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

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QUESTION ONE: INCOME STATEMENT

Refer to **Resource Booklet 90978R** to answer this question.

Prepare a fully classified Income Statement for *Workout Works* for the year ended 31 March 2018.

Classify the expenses as:

- Gym costs
- Administrative expenses
- Finance costs.

Note: Do NOT use abbreviations.

Workout Works

Income Statement for the year ended 31 March 2018

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	\$	\$	\$

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QUESTION TWO: STATEMENT OF FINANCIAL POSITION

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Refer to **Resource Booklet 90978R** to answer this question.

Prepare a fully classified Statement of Financial Position with accompanying note for *Workout Works* as at 31 March 2018.

Note: Do NOT use abbreviations.

Workout Works
Statement of Financial Position as at 31 March 2018

	\$	\$	\$

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Note to the Statement of Financial Position

1. Property, plant, and equipment

				Total
As at 31 March 2018	\$	\$	\$	\$
Cost				
Accumulated depreciation				
Carrying amount				

Depreciation is calculated on a straight-line basis at the following rates:

QUESTION THREE: CASH BUDGET

From the information provided below, prepare the Cash Budget for *Workout Works* for the month of July 2018.

Ensure that you **calculate** and **label** the cash surplus or deficit for July.

Note: Assume that four weeks equals one month.

Monday, 2 July

Bank balance
1 July 2018:
\$2 410 in
funds

Tuesday, 3 July

Order monthly
gym supplies:
\$460

Wednesdays

wages to be
paid every
Wednesday:
\$1 375

Saturday,
7 July

Remember
to transfer
personal cash,
\$8 000, into
gym bank
account

Monday, 9 July

Purchase new
computer system:
\$4 200. Pay 60%
deposit, the rest
due in August

Tuesday, 10 July

Pay electricity:
\$225

Wednesday,
11 July

Purchase
more shares in
Bodyfix Ltd,
\$5 000, using
online bank
transfer

Thursdays

Fortnightly
payments every
second Thursday
for loan, \$460,
and interest on
loan, \$122

Friday, 13 July

Pay supplies
purchased last
month: \$360

Monday,
16 July

Members
competition
results: prize
free membership
(value \$860)

Wednesday,
18 July

Internet
membership fees
to be received:
\$19 600

Friday, 20 July

Annual
insurance to be
paid:
\$2 400

Monday,
23 July

Expect to sell
old computer
system for cash,
\$200

Tuesday, 24 July

Write out cheques
for:

- office expenses,
\$310
- cleaning,
\$940
- GST, \$1910

Wednesday,
25 July

Pay office
salary:
\$680

Saturday,
28 July

Take home
spare
supplies and
supplements:
\$180

Workout Works
Cash Budget for the month ended 31 July 2018

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	\$	\$
Estimated cash receipts		
Closing bank balance		

Acknowledgements	
Images from the following sources have been adapted for use in this examination.	
Page	Source
6	(blue sticky note) http://clipart-library.com/clipart/BcaKzngzi.htm . (yellow sticky note) https://thecliparts.com/the-best-free-clipart-35528/ .

