

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, 2018

91176 Prepare financial information for an entity that operates accounting subsystems

2.00 p.m. Wednesday 14 November 2018
Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91176.

Check that this booklet has pages 2 and 3 in the correct order and that neither 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 *Awa Motel*, which is registered for GST on the invoice basis.

<i>Awa Motel</i>			
Trial Balance as at 31 March 2018			
	\$		\$
Accounts receivable	8 850	Accounts payable	4 200
Bad debts	400	Accumulated depreciation – furniture and fittings	22 000
Bank	5 200	Accumulated depreciation – laundry equipment	9 000
Cleaners' wages	37 200	Breakfast sales	41 000
Cleaning supplies used	12 700	Capital	421 000
Cost of breakfast supplies sold	18 000	Dividends received	2 000
Drawings	47 000	Gain on sale beds	300
Furniture and fittings	140 000	GST	3 250
Insurance and rates	14 200	Loan (6 months)	8 000
Interest expense	9 800	Mortgage (5 years)	120 000
Internet expense	22 700	Motel room sales	300 000
Inventory – breakfast supplies	3 200		
Inventory – motel supplies	36 500		
Land and buildings	458 000		
Laundry equipment	50 000		
Motel electricity	14 800		
Motel maintenance	17 300		
Office expenses	7 700		
Receptionist wages	15 200		
Shares in <i>Mercury Limited</i>	12 000		
	\$930 750		\$930 750

RESOURCE A continued**Awa Motel Trial Balance: Additional information**

- Insurance and rates paid in advance \$1 500 excluding GST.
- Motel room sales received in advance \$28 750 including GST.
- Two weeks of wages are owing to the part-time receptionist who works 15 hours a week for \$20 an hour.
- Invoice on hand for motel electricity \$2 300 including GST.
- Invoices on hand for breakfast sales \$1 150 including GST.
- Included in Inventory – breakfast supplies is some past-use-by-date cereal with a cost of \$500 and a net realisable value of \$0. The inventory is to be written down.
- Create an allowance for doubtful debts 2% of Accounts Receivable.
- Depreciation on Furniture and Fittings \$14 000.
- Depreciation on Laundry Equipment is based on the hours in use of the washing machines and driers. These have a useful life of 25 000 hours and a residual value of \$10 000. For the year ended 31 March 2018, the laundry equipment was used for 4 500 hours.
- The shares in *Mercury Limited* have a current market value, considered to be fair value, of \$15 840.
- The following transactions relating to furniture and fittings occurred during the year. These transactions were recorded when they occurred.
 - Beds included in furniture and fittings were sold. The beds originally cost \$8 000 excluding GST. They had a carrying amount of \$1 700 when they were sold for \$2 300 including GST. The related gain on sale is in the trial balance.
 - New beds costing \$13 800 including GST were purchased.
- The carrying amount of furniture and fittings on 1 April 2017 was \$107 700.

RESOURCE B

During April 2018, the following transactions occurred:

- Invoices issued for breakfast sales \$2 415.
- Electricity invoice received \$2 645.
- An old washing machine that cost \$2 000 was traded in for its carrying amount of \$500 on a new washing machine, purchased on credit and costing \$3 910.
- Max used *Awa Motel's* debit EFTPOS card to purchase motel supplies \$1 700.
- Motel supplies purchased on credit \$1 150.
- Credit note received for motel supplies purchased on credit during March \$200.
- Credit note issued for one prepaid room night not used by a guest \$140.

On 30 April 2018, the balance of Accounts Payable was \$6 000.

