

90978R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

Level 1 Accounting, 2019

90978 Prepare financial statements for sole proprietors

9.30 a.m. Friday 22 November 2019
Credits: Five

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90978.

Check that this booklet has pages 2–3 in the correct order and that none of these pages is blank.

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

RESOURCE

Gardening and More is a garden and lawn mowing business owned by Tane, and has one gardener. The majority of clients pay cash at the time of the service, while others pay the entire year in advance. The business uses vehicles to transport equipment to each job.

The following Trial Balance and additional information relate to *Gardening and More* for the year ended 31 March 2019.

Gardening and More
Trial Balance as at 31 March 2019

| | \$ | | \$ |
|------------------------------------|------------------|--|------------------|
| Accountants fees | 1 800 | Accumulated depreciation – Gardening equipment | 11 200 |
| Advertising | 2 200 | Accumulated depreciation – Vehicles | 13 150 |
| Bank | 4 280 | Capital | 36 900 |
| Cellphone expenses | 1 680 | Dividends received | 120 |
| Drawings | 26 000 | Gardening fees received | 124 000 |
| Garden fertiliser used | 5 000 | GST payable | 1 340 |
| Gardener’s wages | 30 400 | Loan (due December 2019) | 2 900 |
| Gardening equipment | 34 000 | | |
| Gardening insurance | 2 800 | | |
| Gardening supplies used | 6 200 | | |
| Interest on loan | 450 | | |
| Internet and stationery | 1 600 | | |
| Maintenance on gardening equipment | 760 | | |
| Office salary | 7 000 | | |
| Other vehicle expenses | 5 200 | | |
| Petrol | 7 360 | | |
| Petty cash | 80 | | |
| Shares in <i>Potmix Ltd</i> | 6 500 | | |
| Vehicles | 46 300 | | |
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| | \$189 610 | | \$189 610 |

Additional Information:

- Gardening insurance paid in advance: \$270, excluding GST
- Gardener's wages owing on balance day: \$490
- Dividends received owing from *Potmix Ltd*: \$80
- Gardening fees received in advance: \$3 200, excluding GST
- Cellphone expenses is to be split 85% for gardening and 15% for the office
- Depreciation on gardening equipment is \$5 100 per year
- Depreciation on vehicles is 22% p.a. straight line
- Invoice received on 31 March 2019 for gardening supplies used: \$598, including GST
- Invoice issued on 31 March 2019 for gardening fees received totals \$759, including GST.

