

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, 2019

91176 Prepare financial information for an entity that operates accounting subsystems

2.00 p.m. Thursday 21 November 2019

Credits: Five

RESOURCE BOOKLET

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

Check that this booklet has pages 2–3 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 *Okupu Photography*, which is registered for GST on the invoice basis.

<i>Okupu Photography</i> Trial Balance as at 31 March 2019			
	\$		\$
Accounts receivable	12 700	Accounts payable	1 600
Bad debts	1 000	Accumulated depreciation: Photography equipment	8 400
Drawings	37 000	Accumulated depreciation: Printing equipment	800
Depreciation on photography equipment	5 600	Allowance for doubtful debts	500
Framing expenses	7 700	Bank	700
GST	1 200	Capital	42 000
Goodwill	18 200	Family photo income	34 300
Insurance – photography	1 900	Loan	7 000
Interest on loan	700	Wedding photo income	77 400
Loss on sale of camera lens	100		
Office expenses	5 600		
Photography equipment	30 000		
Photo supplies on hand	2 400		
Photo supplies used	11 700		
Printing equipment	4 000		
Second shoot wages	6 000		
Software licence fees	2 100		
Travel expenses	7 500		
Website expenses	8 400		
Wedding expo expenses	8 900		
	\$172 700		\$172 700

RESOURCE A (continued)

Additional information

- Wedding photo income received in advance: \$9 000, excluding GST.
- The second shoot (Emma's photography assistant) attended four weddings in March, for which he has not yet been paid. He receives \$450 per wedding.
- Wedding expo expenses paid in advance: \$4 025, including GST.
- Invoices on hand for family photo income: \$4 600, including GST, not yet recorded.
- Write off additional bad debts: \$2 300, including GST.
- Adjust the allowance for doubtful debts to 2% of accounts receivable.
- Depreciation on printing equipment is 25%, straight line.
- Depreciation on photography equipment has been recorded.
- Invoice on hand for new camera lens: \$3 450, including GST, not yet recorded. Camera lenses are included in photography equipment.
- During the year, Emma sold an old camera lens. The lens originally cost \$2 000, excluding GST, and had a carrying amount of \$600 when it was sold for \$575 cash, including GST. The related loss on sale has been included in the Trial Balance.
- The carrying amount of photography equipment on 1 April 2018 was \$27 800.

RESOURCE B

When Emma receives a request for *Okupu Photography's* wedding services, she provides a quote that includes a non-refundable deposit for her clients to secure Emma as their wedding photographer. When she receives the deposit in *Okupu Photography's* bank account, she invoices the clients for the remainder of the wedding photo fee. This is payable just before the clients' weddings.

- During April 2019, Emma provided quotes for four weddings scheduled for November and December 2019. Each quote total was \$4 600, with a 25% non-refundable deposit payable immediately. All four clients paid the non-refundable deposit directly to *Okupu Photography's* bank account during April 2019. Emma then sent an invoice to each client for the remainder of their wedding photo fee before 30 April 2019.
- On 25 April 2019, Emma invoiced a family \$575 for their Anzac Day family photo shoot.
- At the end of April 2019, Emma wrote off one wedding that was cancelled. This wedding was quoted during 2018 for \$2 300 in total. The non-refundable 25% deposit was received and banked in 2018.
- On 30 April 2019, the balance of accounts receivable was \$15 650.

