



SUPERVISOR'S USE ONLY

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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 2 Accounting 2024

91174 Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate in-depth understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate comprehensive understanding of accounting concepts for an entity that operates accounting subsystems.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

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.

Do not write in the margins (//////). This area will be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

QUESTION TWO

All dollar figures in Question Two are GST **exclusive**.

Get Active Gym has two membership fee payment options, as follows:

- join and commit to one year, paying one month in advance – \$70 each month
- pay \$756 up front for 12 months, taking advantage of a 10% discount.

Regardless of how members choose to join and pay their membership, Georgie's accountant reports all membership fees as one revenue in the Income Statement: membership fees received.

- (a) In accordance with materiality, justify whether or not the reporting of the membership fees received as one total in the Income Statement for *Get Active Gym* negatively impacts Georgie's decision-making.

GET ACTIVE GYM MEMBERSHIP SPECIAL OFFER - AUGUST ONLY

12 months @ \$60 a month	18 months @ \$55 a month	24 months @ \$50 a month
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All memberships paid monthly, one month in advance. Prices exclude GST.

- (b) Explain how the advertisement above illustrates the concept of going concern for *Get Active Gym*.
