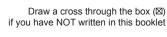
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91177







**Mana Tohu Mātauranga o Aotearoa** New Zealand Qualifications Authority

### **Level 2 Accounting 2025**

# 91177 Interpret accounting information for entities that operate accounting subsystems

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Interpret accounting information for entities that operate accounting subsystems.	Interpret accounting information in depth for entities that operate accounting subsystems.	Interpret accounting information comprehensively for entities that operate 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.

Pull out Resource Booklet 91177R from the centre of 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 ONE**

Refer to Resources A, B, and C in Resource Booklet 91177R to answer Question One.

The information in the tables in this question was extracted from *Direct Delivery*'s financial statements relating to the financial years ended 31 March.

Analysis measure	2024	2025
Percentage change in fees received	+4.2%	+6.8%

(	a)	<ul><li>Discuss the</li></ul>	change in	fees	received.	ln	vour	answer	explain
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- the meaning of the percentage change in fees received of 6.8% in 2025
- one reason for this result that is not related to the purchase of the new van.

Dan enjoys driving his new van, but wants to know if it was a good financial decision.

Analysis measure	2024	2025
Courier cost %	73.0%	67.0%
Petrol expense %	23.0%	18.3%
Profit for the year %	21.6%	26.5%

(b) Discuss how replacing the petrol van with a hybrid van has affected *Direct Delivery*'s courier costs. In your answer explain:
the meaning of the courier cost percentage of 67.0% in 2025
why some courier costs have increased, some decreased, and some stayed the same between 2024 and 2025

•	one detailed reason, other than the increase in courier fees received, for the trend in courier cost percentage from 2024 to 2025, and its impact on the profit for 2025.

#### **QUESTION TWO**

Refer to Resources A, B, C, and D in the resource booklet to answer Question Two.

The information in the tables in this question was extracted from *Direct Delivery*'s financial statements relating to the financial years ended 31 March.

Analysis measure	2024	2025
Age of accounts receivable	46 days	67 days

Dan is concerned about the increase in *Direct Delivery*'s age of accounts receivable to 67 days in 2025.

- Discuss the impact of the age of accounts receivable on Direct Delivery. In your answer, (a) explain:
  - the meaning of the age of accounts receivable of 46 days in 2024
  - one reason for the trend in the age of accounts receivable from 2024 to 2025
  - one recommendation Dan could take to improve the age of accounts receivable and its likely impact on profit for the year ended 31 March 2026.

Analysis measure	2024	2025
Liquid ratio	1.75:1	4.56:1

Dan is pleased with the increase in *Direct Delivery*'s liquid ratio from 2024 to 2025.

- Justify why Dan should be cautious about his optimism regarding Direct Delivery's ability to (b) repay its immediate debts. In your answer explain:
  - what the 2025 liquid ratio of 4.56:1 means for *Direct Delivery*

one potential consequence for <i>Direct Delivery</i> if it doesn't collect its money from accorreceivable faster.

#### **QUESTION THREE**

Refer to **Resources A, B, C, and D** in the resource booklet to answer part (a).

The information in the table below was extracted from *Direct Delivery*'s financial statements relating to the financial years ended 31 March.

Analysis measure	2024	2025
Finance costs %	1.4%	2.7%
Equity ratio	0.79:1	0.75:1

(	a)	Evaluate Direct Deliver	v's financial	stability	/ in 2025. In	vour answer in	clude:

<ul> <li>what the equity ratio of 0.75:1 for 2025 mean</li> </ul>
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how the finance cost % increasing and the equity ratio decreasing are linked to the purchase of the hybrid van.

Dan has an opportunity to take over a new courier route. Refer to **Resource E** in the resource booklet for details about this opportunity.

Refer to all the resources in the resource booklet to answer part (b).

- (b) Justify whether or not Dan should expand by adding the new courier route. In your answer:
  - state a clear recommendation, either: YES expand or NO keep the business as it is
  - explain three reasons, at least one being an analysis measure, to justify your recommendation

include dollar and analysis figures.

## Extra space if required. Write the question number(s) if applicable.

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