

91406



Draw a cross through the box (☒) if you have NOT written in this booklet
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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Accounting 2025

91406 Demonstrate understanding of company financial statement preparation

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of company financial statement preparation.	Demonstrate in-depth understanding of company financial statement preparation.	Demonstrate comprehensive understanding of company financial statement preparation.

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 91406R 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 2–12 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.

Refer to **Resource A** in the resource booklet to answer this question.

31/03/25			
	<i>Record the decrease in fair value of financial assets</i>		
31/03/25			
	<i>Record the income tax expense for the year</i>		

- (b) Your friend thinks you should report taxation payable \$46 800 in the current liability section of *Packout Limited's* Statement of Financial Position as at 31 March 2025. Explain in detail why your friend is incorrect. In your answer refer to:
- relevant accounts
 - the correct amount to report for taxation payable in the current liability section of *Packout Limited's* Statement of Financial Position as at 31 March 2025.

- (c) Complete *Packout Limited*'s Statement of Comprehensive Income for the year ended 31 March 2025. Notes are not required. Enter relevant stems and amounts in the highlighted boxes.

Packout Limited
Statement of Comprehensive Income for the year ended 31 March 2025

Income		
Revenue		
Other income	4 800	
Total income		
Expenses		
General expenses	320 000	
Wages and salaries	427 500	
Depreciation		
Finance costs		
Total expenses		
Profit before tax		
Income tax expense		
Profit for the year		
Other comprehensive income		
Total other comprehensive income		
Total comprehensive income		

QUESTION TWO

Refer to **Resource A** in the resource booklet and your answer to Question One (c) to answer this question.

- (a) Complete the following accounting entries for *Packout Limited*.

General Journal

31/03/25			
	Transfer (close) accumulated depreciation to buildings on revaluation		

General Ledger Contributed equity

01/04/24					
15/10/24					

Buildings revaluation surplus

31/03/25					

- (b) Your friend thinks you should report retained earnings \$219 000 in the equity section of *Packout Limited's* statement of financial position as at 31 March 2025. Explain in detail why your friend is incorrect.

In your answer refer to:

- relevant accounts
- the correct amount to report for retained earnings in the equity section of *Packout Limited's* Statement of Financial Position as at 31 March 2025.

Question Two continues on the next page ➤

- (c) Complete the equity section of *Packout Limited*'s Statement of Financial Position as at 31 March 2025. Include the total for equity.

Packout Limited
Statement of Financial Position (extract) as at 31 March 2025

Equity		
Total equity		

- (d) Complete *Packout Limited*'s distributions notes to the financial statements.

Packout Limited
Notes to the financial statements (extract)

Distributions	Cents per share	\$
Dividends declared after reporting date		

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The assessment continues on the following page.**

QUESTION THREE

Refer to **Resource B** in the resource booklet to answer this question.

- (a) Complete the **operating** and **investing** activity sections of *Fauro Limited's* Statement of Cash Flows for the year ended 31 March 2025.

Show your working in the space below. This may be used for marking purposes.

WORKING

Fauro Limited
Statement of Cash Flows (extract) for the year ended 31 March 2025

	\$000	\$000	\$000
Operating activities			
<i>Cash was provided from</i>			
<i>Cash was applied to</i>			
Net cash from operating activities			
Investing activities			
<i>Cash was provided from</i>			
<i>Cash was applied to</i>			
Net cash from investing activities			

Question Three continues on the next page ➤

During the year ended 31 March 2025 the cash received from the sale of shares in *Mainfreight Limited* was used by *Fauro Limited* to help fund a share repurchase. On 1 October 2024 *Fauro Limited* repurchased 25 000 shares at a fair value of \$2.20 each. The shares were originally issued at \$2.00 each.

General Journal

01/10/24			
	25 000 shares repurchased at a fair value of \$2.20		

In your answer, use relevant activity sections and figures to explain the:

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

QUESTION
NUMBER

91406