91408R

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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Accounting 2025

91408 Demonstrate understanding of management accounting to inform decision-making

Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91408.

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.

NOTE

In this assessment:

- Summer months are 1 October to 31 March.
- Winter months are 1 April to 30 September.

Noa the wedding photographer

Noa is an established wedding photographer based in Nelson. He specialises in outdoor weddings. He currently books 24 weddings over the summer months and 8 weddings over the winter months.

Noa's partner is the main income earner in the family. They have recently purchased their first home, so Noa's income has become an important addition to the family finances. The family enjoys winter holidays in the local national parks when there are fewer tourists.

Noa loves photographing weddings over the summer, but he would like to be able to spend more summer weekends with his partner and young family.

To provide more family time in summer, Noa is considering two options for 2026 and beyond.

Option One: Add video to the wedding photography package

Some of Noa's potential clients have asked him for a short video in addition to their wedding photos. Video is increasingly popular and competing photographers already offer it as part of their wedding photography packages.

When he adds video, Noa will reduce the number of wedding bookings by half in both the summer and winter months.

Prices and costs of adding video
Noa will increase his charge per wedding to \$6 400.

Variable costs per wedding will increase to \$3 400.

Annual fixed costs will be \$12 000, including depreciation \$1 500 and annual insurance \$2 500.

Noa will attend a one-off workshop to learn video photography and editing in March 2026. It will cost \$8 000, which will be paid in April, and be partly funded by an interest free loan of \$3 000 from his dad. Noa will repay the loan in full at the end of November.

Cash receipts and payments
Noa receives the cash for each wedding and pays the associated variable costs in the month of the wedding.

Annual cash fixed costs include the insurance \$2 500, which is paid in full on 1 July each year.

Other cash fixed costs are paid monthly.

Option Two: Work for a local photographer

Noa could work on a contract basis for a local photographer and give up his wedding photography altogether.

If he chooses this option, he will receive $75 an hour for 20 hours a week for 26 weeks from April to September. Weekly costs associated with this contract will total $200.

Noa would not work in the summer months if he chose this option.