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NZQA | Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Accounting 2026

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 2–10 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.

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QUESTION ONE

Refer to **Resource A** to answer this question.

(a) Complete the following accounting entries, including any closing entries, for *Smile Wide Limited*.

General Journal

15/12/25			
	Record payment of interim dividend (2026)		

General Ledger – Final dividend (2025)

31/03/26					

(b) Explain in detail the reporting of the final dividend (2025) and interim dividend (2026) in the financial statements for the year ended 31 March 2026. In your answer, include:

- the financial statement note used to report the dividends
- relevant figures, including cents per share for each dividend
- the impact of the dividends on equity in the statement of financial position.

(c) Complete the following extracts from the financial statements and associated notes for *Smile Wide Limited.*

Statement of Comprehensive Income (extract) for the year ended 31 March 2026

Profit before tax	312 500
Profit for the year	

Notes to the financial statements (extract) for the year ended 31 March 2026

1. Revenue

2. Finance costs

3. Property, plant, and equipment

	Buildings
For the year ended 31 March 2026	
Opening carrying amount	
Closing carrying amount	

QUESTION TWO

Refer to **Resource A** to answer this question.

(a) Complete the following accounting entries, including any closing entries, for *Smile Wide Limited*.

General Journal

01/07/25			
	Record share repurchase		

General Ledger – Land

31/03/26					

(b) Explain in detail how the revaluation of land impacts total comprehensive income, equity, and total assets in *Smile Wide Limited*'s financial statements for the year ended 31 March 2026. In your answer, include relevant account names and amounts.

(c) Complete the following extracts from the financial statements and associated notes for *Smile Wide Limited.*

Statement of Financial Position (extract) as at 31 March 2026

Current liabilities		
Total current liabilities		

Notes to the financial statements (extract) for the year ended 31 March 2026

Contributed equity	**Number of shares**	**$**

QUESTION THREE

Refer to **Resource B** to answer this question.

(a) Complete the operating and financing activities sections of *Mobile Eyesight Limited*'s Statement of Cash Flows for the year ended 31 March 2026.

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

WORKING

Mobile Eyesight Limited
Statement of Cash Flows (extract) for the year ended 31 March 2026

	$000	$000	$000
Operating activities			
Cash was provided from			
Cash was applied to			
Net cash from operating activities			
Financing activities			
Cash was provided from			
Cash was applied to			
Net cash from financing activities			

Question Three continues on the next page ➤

(b) Complete the following accounting entry for *Mobile Eyesight Limited* in the general journal.

General Journal

31/03/26			
	Increase in fair value of financial assets		

(c) Two of your friends, Mia and Neo, have calculated the purchase of the new eye exam equipment for the investing section of the Statement of Cash Flows for the year ended 31 March 2026.
They are arguing over who is correct:

- Mia thinks it should be reported as $55 000
- Neo thinks it should be reported as $125 000.

Neither of them are correct. Explain in detail, using relevant figures, the correct amount to report for the purchase of new eye exam equipment.

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

QUESTION NUMBER	

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

QUESTION NUMBER