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91176



911760



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

Level 2 Accounting, 2014

91176 Prepare financial information for an entity that operates accounting subsystems

2.00 pm Wednesday 26 November 2014

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial information for an entity that operates accounting subsystems.	Prepare in-depth financial information for an entity that operates accounting subsystems.	Prepare comprehensive financial information 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.

Pull out Resource Booklet 91176R 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.

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

Not Achieved

TOTAL

6

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QUESTION ONE

Refer to **Resource One** in **Resource Booklet 91176R** when answering this question.

Appliances4U is a retailer of washing machines, dishwashers, and other household appliances. The business is registered for GST on the invoice basis.

Part A

Prepare the Income Statement for *Appliances4U*. Use the expenses headings Distribution costs, Administrative expenses, and Finance costs. Do NOT use abbreviations.

Appliances4U Income Statement for the year ended 31 March 2014			
	\$	\$	\$
Revenue			
Sales	950 000		
Other income			
Rent Received	14500		
Office rent	21000		
Total Income		990500	
Expenses			
Distribution expense			
Bad debts	3150		
Sale Staff Wages	210 000		
Shop electricity	15000		
Shop expenses	30000		
depreciation on delivery van	4500	262650	
Cost of goods sold	400 000		662 650
Administrative expenses			
office electricity	8000		
Office expenses	40000		
Office wages	115 000		
Depreciation on office equipment	3000		
Administrative Expenses	10000	176000	
missing doubtful debts			
Finance Cost			
Interest on mortgage		13000	
Total Expenses			838650
Profit for the year			151850

Part B

- (a) Prepare the **General Journal** entry to write off the bad debt of \$1 150 including GST.

Note: Narrations are NOT required.

31/3/14			
	Balance		2000
	Bad debts		3150
	income summary	3150	-

not a general journal entry as debits + credits not equal.

- (b) Complete the Doubtful debts **General Ledger** account to show the relevant balance day adjustment and closing entry (if required) for the year ended 31 March 2014.

Doubtful debts Dr Cr					
31/3/14	Balance			400	Cr
	Allowance for doubtful debts	477	477	877	

no understanding of doubtful debts demonstrated.

There is not enough evidence that this candidate can prepare financial information as ^{there is} a lack of classification and not enough additional information is accurately reported or processed.

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QUESTION TWO

Officeworld is owned by Marcus and is a supplier of office equipment to businesses throughout New Zealand.

Refer to **Resource Two Part A** in **Resource Booklet 91176R** when answering Part A.

Note: You are NOT required to account for GST in Part A.

PART A

- (a) Calculate the cash received from credit customers.
Show and **fully label** your workings in the space provided.

$17000 + (760000 - 12000) + 3000 - 8000$

the working is not labelled - it is not clear how the 17000 was determined and the 8000 was added when it should have been subtracted

no grades awarded

803000
~~803000~~
 795000

Cash received from credit customers \$ 795000

- (b) Prepare the cash receipts section of Officeworld's Cash Flow Statement for the year ended 31 March 2014.

Officeworld Cash Flow Statement (extract) for the year ended 31 March 2014		
	\$	\$
Cash receipts		
Cash Sales	400000	
Cash received from credit customers	803000	
Gain on Sales Relinquish	2000	
Total cash receipts		1205000

This is a foreign item.

the business loan and interest of \$2000 are also missing

Refer to **Resource Two Part B** in **Resource Booklet 91176R** when answering Part B.

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Part B

- (a) Prepare **General Journal** entries to record the following balance day information for *Officeworld*.

Note: Narrations are NOT required.

Office wages \$1 200 are owing

31/3/14		Dr	Cr	
	office wages		1200	
	Accrued expense	1200		

debits and credits not equal AND office wages should be debited and accrued expense credited.

Van depreciation is 10% diminishing value p.a.

31/3/14		Dr	Cr	
	Van depreciation	8100		
	Accumulated depreciation on Van		8100	

Close the Office wages expense account

31/3/14		Dr	Cr	
	Income Summary	86800		
	Office wages		86800	

Incorrect figure.

- (b) Complete the **General Ledger** accounts below for *Officeworld* to show the relevant **balance day adjustments** and **closing entries** (if required) for the year ended 31 March 2014.

Advertising Dr Cr					
31/3/14	Balance			30000	Dr
	Prepayments		2000	28000	Cr

not closed and changed balance indicator

Prepayments Dr Cr					
31/3/14	Debit			—	
	Advertising	2000		2000	Dr

Drawings					
31/3/14	Balance			50000	Dr
	Drawings		45000	5000	Dr

incorrect amount and particular.

N2

Notes to the Financial Statements

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Note 1: Accounts receivable

	\$
Accounts receivable	25000
Allowance for doubtful debts	500
Accounts Receivable	24500

Note 2: Investments

Shares in Boottime Ltd had a ~~net~~^{market} value of \$24000 but was recorded at its historical cost of \$23000 //

need to know when
this market value
was determined.

Note 3: Property, plant and equipment

Note: You are NOT required to complete the shaded areas.

	Office Equipment	Shop Equipment	
	\$	\$	
For year ended 31 March 2014			
Opening carrying amount	60000	48000	
Plus additions	45000 (2000)	—	
depreciation	1000	2000	
Accumulated depreciation	200 22000	12000	Total \$
total	21000	36000	57000
As at 31 March 2014			
Starting	60000	48000	
Accumulated	39000	12000	Total \$
Closing carrying amount	2100	3600	57000

Incorrect figures
or missing
information
numbers + both
stems.

incorrect
figure.

Needs to be cost.

needs to be clear its
accumulated depreciation

This candidate has some understanding but doesn't demonstrate enough of it to clearly show they can process + report additional information.

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