

91406R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD  
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

## Level 3 Accounting, 2015

### 91406 Demonstrate understanding of company financial statement preparation

2.00 p.m. Monday 30 November 2015  
Credits: Five

#### RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91406.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

**YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.**

## RESOURCE A

The following information relates to *Green's Green Waste Collection Limited*. The company operates a green waste collection system, processes the waste collected into garden mulch, and sells it to local councils and garden centres.

***Green's Green Waste Collection Limited***  
**Income Statement (summary) for the year ended 31 March 2015**

	Notes	NZ\$000	NZ\$000
Revenue	1		240 000
Other income	2		3 175
			243 175
Less			
Cost of goods sold		120 000	
Depreciation		9 000	
Doubtful debts		100	
Interest		4 000	
Other expenses		115 575	
Bad debts		500	249 175
Profit/(Loss) for the year			<b>(6 000)</b>

***Green's Green Waste Collection Limited***  
**Statement of Financial Position (summary) as at 31 March 2015**

	Notes	2014 NZ\$000	2015 NZ\$000
<b>Assets</b>			
Bank		3 700	1 600
Accounts receivable	3	15 100	12 000
Inventories		59 000	60 000
Income accrued – rent received		600	800
Prepayments – other expenses		800	400
Property, plant and equipment		41 000	32 000
<b>Total assets</b>		<b>120 200</b>	<b>106 800</b>
Less			
<b>Liabilities</b>			
Accounts payable		27 700	32 400
Taxation payable		1 000	0
Loan (secured on equipment)		200	0
Mortgage (secured on land and buildings)		0	3 100
<b>Total Liabilities</b>		<b>28 900</b>	<b>35 500</b>
Net assets		91 300	71 300
<b>Equity</b>			
Contributed equity		10 000	15 000
Retained earnings		81 300	56 300
		<b>91 300</b>	<b>71 300</b>

**Extract from *Green's Green Waste Collection Limited***  
**Notes to the Financial Statements**

<b>1. Revenue</b>	<b>2015</b>
	<b>NZ\$000</b>
Sales	240 000

<b>2. Other income</b>	<b>2015</b>
	<b>NZ\$000</b>
Rent received	1 175
Discount received	2 000
	3 175

<b>3. Accounts receivable</b>	<b>2014</b>	<b>2015</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>
Accounts receivable	15 900	12 900
Allowance for doubtful debts	800	900
	15 100	12 000

