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91176



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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 2 Accounting 2024

91176 Prepare financial information for an entity that operates accounting subsystems

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.

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.

Achievement

TOTAL 09

Refer to **Resource Booklet 91176R** when answering the questions in this booklet. Ensure that the account names you use are consistent with those in the resource booklet. Do NOT use abbreviations.

QUESTION ONE

Question ONE relates to *Gigi's Games Galore*. Refer to **Resource A** when answering this question.

(a) Complete the following general journal entries. Narrations have been provided for you.

(i) Record the office wages owing: \$1 500.

31/03/24	Office wages	1500	
	Accrued expense		1500
(Recording the office wages owing on balance day.)			

(ii) Record the invoices issued for sales not yet recorded \$1 610 including GST. The inventory cost price \$640 excluding GST has been done for you.

31/03/24	Cost of goods sold	640	
	Inventory		640
(Recording cost price/cost of goods sold for the credit sales on balance day.)			
31/03/24	Sales	1400	
	Gst payable	210	
	Accounts payable receivable		1610
(Recording the invoices issued for credit sales on balance day.)			

(b) Complete the prepayments general ledger account, showing all entries at 31 March 2024 including a closing entry if relevant.

Prepayments

31/03/24	# balance		0	Dr
	Advertising	340	340	Dr

- (c) Complete the Income Statement for *Gigi's Games Galore* for the year ended 31 March 2024. You have been provided with the total for administrative expenses and do not need to complete this section.

Gigi's Games Galore Income Statement for the year ended 31 March 2024

	\$	\$	\$
Revenue			
479500 Sales		(479500)	
Sales returns		(1700)	
Add to Less <u>COGS</u>		(210500)	
gross profit:			267300
Other income			
Rent received		(36400)	303700
Less expenses			
Administrative expenses			
Total administrative expenses		40647	
Distribution costs			
Advertising	(2180)		
Electricity - shop	2826		
General <u>office</u> expenses	12430		
Loss on <u>disposal office</u> equipment	600		
Miscellaneous shop expenses	8320		
Shop <u>fixtures</u> (F)	19120		
shop wages and salaries	97000	142476	
Finance costs			
Interest on loan	(20448)		
Interest on mortgage	(18200)	38648	
Total expenses			(221771)
Profit (loss) for the year			81929 221771

QUESTION TWO

Question TWO relates to *Gigi's Games Galore*. Refer to **Resource A** when answering this question.

- (a) Complete the general journal entries. Narrations have been provided for you.
- (i) Record the invoice received for repairs and maintenance: \$414 including GST.

31/03/24	repairs and maintenance	360	
	gst	54	
	Accounts receivable		414
(Recording invoice received for repairs and maintenance on balance day.)			

- (ii) Record the closing entry for doubtful debts.

31/03/24	Doubtful debts Allowance for doubtful debts	62.42	
	Allowance for doubtful debts Provo doubtful debts		62.42
(To close off doubtful debts.)			

- (b) Complete the inventory general ledger account, showing all entries at 31 March 2024 including a closing entry if relevant.

Inventory

31/03/24	Balance			18320	Dr
	Inventory Income Summary		18320	0	Dr

- (c) Complete the Note 2: Property, plant, and equipment (extract) of the Statement of Financial Position for *Gigi's Games Galore* as at 31 March 2024.

Gigi's Games Galore Statement of Financial Position (extract) as at 31 March 2024 Note 2: Property, plant, and equipment (extract)

	Office equipment
For the year ended 31 March 2024	\$
Opening carrying amount	5020
+ Additions	0
Disposal	(1080)
Cost depreciation	(591)
Closing carrying amount	3349

- (d) Complete the Liabilities section of the Statement of Financial Position for *Gigi's Games Galore* as at 31 March 2024.

***Gigi's Games Galore* Statement of Financial Position (extract) as at 31 March 2024**

	Note	\$	\$
Liabilities			
Current liabilities			
Accounts payable		11214	
Gst payable		5306	
Mortgage		288000	
Accrued expense		21283	
Income received in advance		900	326703
Non-current liabilities			
Loan		7000	
Total liabilities			333703

- (e) Complete the Equity section of the Statement of Financial Position for *Gigi's Games Galore* as at 31 March 2024.

***Gigi's Games Galore* Statement of Financial Position (extract) as at 31 March 2024**

	Note	\$	\$
Equity			
Profit for the year Opening carrying amount		5020	
draw + profit for the year		81929	
- drawings		82500	
Closing carrying amount		4449	4449

A3

QUESTION THREE

Question THREE relates to *Funtime First Learners*. Refer to **Resource B** when answering this question.

- (a) Complete the general journal entry to record the dividends received that are owed from *EduRight Ltd*: \$800. The narration has been provided for you.

31/03/24	Accrued revenue	800	
	dividends owing		800
(Recording dividends owing from EduRight Ltd on balance day.)			

- (b) Complete the accounts receivable general ledger account to record the entries at 31 March 2024. The particulars have been provided for you.

Accounts receivable

01/04/23	Balance			15000 3190	Dr
31/03/24	Fees received and GST	21860		36860	Dr
	Bad debts and GST	4715	 	41575	Dr
	Bank		 	 	

- (c) Calculate how much cash was received by *Funtime First Learners* for the sale of the old playground equipment that would be reported in the cash receipts section of the Statement of Cash Flows.
Show and label your working, which will be marked.

+ opening cash receivable	\$13390
+ Invoice issued	\$465750
- Bad debts	\$4715
- closing cash receivable	\$15000
<hr/>	
Cash from sale of playground equipment \$	459425

- (d) Calculate the cash paid to accounts payable for the year ended 31 March 2024. Show and label your working, which will be marked.

accounts	
+ opening cash payable	\$ 1800
+ Invoice received	\$19700
+ Discount received	\$1600
- Freight charged	\$670
- Closing cash payable	\$800
accounts	
Cash paid to accounts payable \$ 21630	

- (e) Prepare the cash payments section of the Statement of Cash Flows for *Funtime First Learners* for the year ended 31 March 2024.

Funtime First Learners
Statement of Cash Flows (extract) for the year ended 31 March 2024

Cash payments	\$	\$
Accounts Cash paid to Accounts payable	21630	
Epi Capital drawings	84000	
Dividends received	610	
loan	2640	
Bent	41860	
drawings (F)	58000	
Capital	84000	
Teachers' wages	160000	
Allowance for doubtful debts (F)	15000	
Total cash payments	384240	

A3

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

QUESTION
NUMBER

91176

Subject: Accounting

Standard: 91176

Total score: 09

Q	Grade score	Marker commentary
One	A3	<p>The circled words represent incorrect classification or abbreviations. The circled numbers are incorrect. If it was a number requiring a balance day adjustment, credit for the correct classification was still awarded.</p> <p>The first journal entry is correct, and there are a range of accounts correctly classified in the income statement. Some administration expenses were included in the distribution costs, along with a foreign item.</p> <p>The balance entry in (b) was ignored as it was entered as '0'.</p> <p>To gain a merit, the candidate needed to identify the relevant distribution costs more consistently and apply the appropriate calculations to get accurate figures, such as for sales or rent received.</p>
Two	A3	<p>The first journal entry shows that Dr=Cr. Both debit entries are correct with correctly calculated figures, although the particulars are incorrect in the credit account.</p> <p>The candidate correctly entered the stems in the property, plant and equipment extract and clearly indicated which figures were to be added or subtracted.</p> <p>This candidate needed an additional correctly adjusted figure to attain A4. For merit, they needed correct figures adjusted for a calculated figure adjustment, for example, accounts payable, additions and income in advance.</p>
Three	A3	<p>There were several entries missing from the statement of cash flows and foreign items were included. Drawings was entered twice and was not adjusted for the non-cash drawing of \$6 000.</p> <p>This candidate needed several more correct entries to attain A4. For merit they needed to supply correctly adjusted and / or treated figures.</p>