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91176



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.

Excellence

TOTAL 21

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 expenses		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	Accounts receivable	1610	
	Sales		1400
	GST		210
(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	Advertising	340		340	Dr
	Rates	900		1240	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			
Sales			492 300 492 300
less sales returns			(1700)
Net sales			480 600
Less costs of goods sold			(219 600)
Gross profit			269 640
Other income			
Rent received			3 360
			302 240
Less expenses			
Administrative expenses			
Total administrative expenses		40 647	
Distribution costs			
Advertising	1 500		
Electricity	2 826		
Miscellaneous shop expenses	8 320		
Rates	3 300		
Repairs and maintenance	2 850		
Shop wages and salaries	47 000		
Depreciation on shop fittings	1 560	117 356	
Finance costs			
Interest on loan	665		
Interest on mortgage	20 448	21 113	
Total expenses			(129 116)
Profit (loss) for the year			\$ 123 124

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 payable		414
(Recording invoice received for repairs and maintenance on balance day.)			

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

31/03/24	Income summary	34	
	Doubtful debts		34
(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
	Costs of goods sold		640	17680	Dr
	Costs of goods sold		920	16860	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)
less 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		7994	
GST payable		6146	
Loan (due October 2024)		7000	
Accrued expense		1500	
Income in advance		2800	25440
Non-current liabilities			
Mortgage (due November 2040)		288000	288000
Total liabilities			313440

- (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			
Opening capital			222340
Plus profit for the year			123124
less Drawings			(82500)
Closing capital			\$262964

E7

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 income	800	
	Dividends received		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	Dr
31/03/24	Fees received and GST	465750		480750	Dr
	Bad debts and GST		4715	476035	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.

<p>250 - 380 = -130</p> <p>250 - 380 = -130 (loss on cash received)</p> <p>Amount sold for - carrying amount = gain or loss on cash</p> <p>Cash from sale of playground equipment \$ -130</p>
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- (d) Calculate the cash paid to accounts payable for the year ended 31 March 2024. Show and label your working, which will be marked.

opening balance	1800
+ Invoices received for suppliers	+ 19700
- Discounts received	- 1600
+ Freight charged	+ 670
- closing balance	- 800
	<u>14770</u>
Cash paid to accounts payable \$ <u>14770</u>	

- (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 payable	19720	
General cash kindergarten expenses	43500	
General cash administration expenses	28800	
Interest on loan	2500	
loan repayment	12000	
Rent	41860	
Teachers wages	160000	
Purchased swing set	8400	
Drawings	<u>48000</u>	
Total payments		364830

E7

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

QUESTION
NUMBER

91176

Subject: Accounting

Standard: 91176

Total score: 21

Q	Grade score	Marker commentary
One	E7	<p>Although there are three figures circled, there are only two errors as the rates adjustment impacted two figures.</p> <p>The income statement is fit for purpose showing subtotals, gross profit labelled, and no detracting errors. The prepayments ledger has no additional entries.</p>
Two	E7	<p>In the inventory ledger, credit was awarded for the \$820 in the credit column and the balance being deducted and the Dr indicator present. The final balance needed to be \$17 500, therefore the entry in the credit column needed to be \$180.</p> <p>The accrued expenses figure of \$1 500 needed to also include the second adjustment relating to the amount of mortgage interest owing.</p> <p>All extracts are fit for purpose with no additional or foreign items.</p>
Three	E7	<p>The answer to this question just meets the requirements for E7.</p> <p>The cash paid to account payable is correct and clear working was supplied.</p> <p>The statement of cash flows was almost fully correct. GST payments were not included and whilst the drawings figure was incorrect, it did not include the foreign item.</p>