

No part of the candidate's evidence in this exemplar material may be presented in an external assessment for the purpose of gaining an NZQA qualification or award.

SUPERVISOR'S USE ONLY

2

91176



Draw a cross through the box (☒) if you have NOT written in this booklet



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.**

Merit

TOTAL 16

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	
	Accounts Payable		1500
(Recording the office wages owing on balance day.)			

(ii) Record the invoices issued for sales not yet recorded \$1610 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	<del>1400</del>	1400
	GST		210
	Accrue Income	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		Bal	
		Dr	Cr		
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**

	\$	\$	\$
<b>Revenue</b>			
Sales		482300	
Less Sales returned		<del>1700</del>	
Less cost of goods sold		<del>211320</del>	<del>480600</del>
			269280
<b>Other income</b>			
Rent received			36400
<b>Total Revenue</b>			<del>517000</del>
<b>Less expenses</b>			305680
<b>Administrative expenses</b>			
Total administrative expenses		40647	
<b>Distribution costs</b>			
Advertising	1500		
Electricity	2826		
Miscellaneous shop expenses	8320		
Rates	3300		
Repairs and maintenance	2850		
Shop wages and salaries	97000		
<b>Total Distribution costs</b>		115796	
<b>Finance costs</b>			
Interest on loan	665		
Interest on mortgage	38648		
<b>Total Finance costs</b>		39310	195753
<b>Profit (loss) for the year</b>			<del>321247</del> 109927

## 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	
	Accrue expense		414
(Recording invoice received for repairs and maintenance on balance day.)			

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

31/03/24	doubtful debts		14.30
	Income Summary	14.30	
(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
	Sales Cost of Goods Sold		690	17680	Dr
	Cost of Goods Sold		180	17500	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
<b>For the year ended 31 March 2024</b>	<b>\$</b>
Opening carrying amount	5020
Plus Additions	2600
Disposal	1080
Less Depreciation	591
Closing carrying amount	5949 <del>5949</del>

- (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	\$	\$
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable		26538	
Allowance for doubtful debts		95.70	
GST Payable		6146	
Accrue expenses		3404	
Total Current liabilities			36183.70
<b>Non-current liabilities</b>			
Loan		7000	
Mortgage		288 000	2 95000
<b>Total liabilities</b>			<del>331183.70</del> 331183.70

- (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	\$	\$
<b>Equity</b>			
Capital		222340	
Goodwill		11300	
less drawings		- 82500	
Closing Capital		<del>151140</del>	151140

M5.

### 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	Dividends <del>owed</del> owing	800	
	Dividends received		610
	Dividends owing	190	
(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			13390	Dr
31/03/24	Fees received and GST	465750		479140	Dr
	Bad debts and GST		4715	474425	Dr
	Bank		459425	15000	Cr

- (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 value	5500
- depreciation	5120
gain on sale	250
	<u>630</u>
Cash from sale of playground equipment \$ <u>630</u>	

- (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 Accounts Payable	1800
Invoices received	19700
Freight charges	670
Less discounts	-1600
Less closing balance	-800
Cash paid to accounts payable	19770

Cash paid to accounts payable \$ 19770

- (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	\$	\$
General cash Kindergarten expenses	43500	
General cash administration expenses	28800	
Rent	41860	
Interest on loan	2500	
Teachers' wages	160000	
Cash paid to accounts payable	19770	
Drawings	<del>52000</del> <del>58000</del>	
New playground Swing Set	8400	
GST	21860	
New computer (F)	2100	
Loan repayments	14640	

Total cash payments

~~79~~  
395430

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

QUESTION  
NUMBER

91176



**Subject:** Accounting

**Standard:** 91176

**Total score:** 16

Q	Grade score	Marker commentary
One	M5	<p>This answer meets the criteria for M5 as there are sufficient entries correct, including figure-provided adjustments and those requiring a calculation.</p> <p>To reach excellence, some of the two-step adjustments needed to be correct, as well as the particulars in the journal entries. Also, the gross profit figure should have been labelled.</p> <p>The answer also has a detracting error – a retail business does not have total revenue / income.</p>
Two	M5	<p>This answer meets the criteria for M5 as there are sufficient entries and figure-provided adjustments, and those requiring a calculation, that are correct.</p> <p>The closing entry in (a) (ii) was awarded credit for the correct account names and a figure in the correct columns. The figure needed to be correct (\$34) to be awarded the excellence level credit.</p> <p>The candidate has answered (b) and (c) correctly.</p> <p>To reach excellence, the two-step adjustments needed to be completed more consistently. Additionally, the statements needed to be fit for purpose with a correct layout (subtotals, no additional entries etc). Incorrect items in the extracts prevented the awarding of the 'process' (P) credit.</p>
Three	M6	<p>This exemplar meets the criteria for M6 because of the accuracy of (b), (c), and (d), and a range of correct entries in (e). Clear working was provided with labels and indicators.</p> <p>The statement of cash flow stems were accurate as they did not include payment method or calculations, or transaction sentences.</p> <p>The foreign item of the computer in the statement of cash flows prevented the candidate from achieving the excellence grade.</p>