

Assessment Schedule – 2016**Accounting: Prepare financial statements for sole proprietors (90978)****Evidence**

Question One	Evidence		
	Otago Outdoors Income Statement for the year ended 31 March 2016		
		\$	\$
Revenue			
Sales			173 500 V
Less sales returns			<u>(2 100) V</u>
Net sales			171 400
Less cost of goods sold			
Opening inventory		23 000 V	
Plus purchases	40 200 E		
Less purchase returns	<u>(2 700) V</u>	37 500	
Plus customs duty		<u>600 V</u>	
Goods available for sale		61 100	
Less closing inventory		<u>(24 500) V</u>	
Cost of goods sold			<u>36 600 V*</u>
Gross profit			134 800 V *
Add other income			
Interest received		480 V	
Rent received		<u>26 000 M</u>	<u>26 480</u>
			161 280
Less expenses			
Distribution costs			
Advertising	800 V		
Salespersons' wages	41 600 V		
Shop cleaning	2 520 M		
Telephone and internet	1 050 E *		
Depreciation on shop fittings	900 M	46 870	
Administrative expenses			
Accountancy fees	1 800 V		
General expenses	1 180 V		
Insurance	3 400 V		
Office wages	2 700 M		
Telephone and Internet	450 *		
Depreciation on office equipment	1 700 E	11 230	
Finance costs			
Interest on loan		<u>1 300 V</u>	
Total expenses			59 400
Profit for the year			\$101 880 V *

	<p>Notes</p> <p>V Correct stem (no abbreviations) and figure, correctly classified</p> <p>M Correct figure, correctly classified and correct stem (award V if number incorrect but still correctly classified and correct stem)</p> <p>E Correctly calculated figure, correctly classified and correct stem (award V if number incorrect but still correctly classified and correct stem)</p> <p>F Foreign item (accounts or heading which do not belong in this statement)</p> <p>V* Correct stem and correct process</p> <p>E* Telephone and Internet correct in both distribution costs and administrative expenses (award V if 1500)</p>
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Not Achieved		Achievement		Achievement with Merit		Achievement with Excellence	
N1	N2	A3	A4	M5	M6	E7	E8
6 V/M/E	9 V/M/E	12 V/M/E	16 V/M/E	18 V/M/E <i>inc</i> 3 M/E max 2 F	20 V/M/E <i>inc</i> 4 M/E max 1 F	21 V/M/E <i>inc</i> 6 M/E no F	23 V/M/E <i>inc</i> 7 M/E no F No detracting errors

N0 = No response; no relevant evidence.

Note: A detracting error includes those errors that limit the accuracy of the financial statements for the entity being examined. This includes % breakdowns as part of the stem for Telephone and internet, Total Income (after COGS has been deducted), Total Sales as opposed to Net Sales, Abbreviated or incorrect headings (eg Office Expenses as opposed to Administration Expenses), Freight Inwards. Similar detracting errors in question 2.

Question
Two

Evidence

Otago Outdoors			
Statement of Financial Position as at 31 March 2016			
	\$		\$
Current assets			
Bank		1 250 V	
Inventory		24 500 V	
Petty cash		50 V	
Prepayments		80 M	
			25 880
Non-current assets			
Intangible			
Goodwill		31 000 V	
Investment			
Term deposit		12 000 V	
Property, plant and equipment			
Carrying Amount / Note 1		231 600 V ^{ft}	274 600
Total assets			300 480
Less liabilities			
Current liabilities			
GST	1 960 EE*		
Income in advance	1 000 M		
Accounts payable	1 840 EE*		
Accrued expenses	200 M		
		5 000	
Non-current liabilities			
Loan (due 2030)	30 000 V	30 000	
Total liabilities			35 000
Net assets			\$265 480 V*
Equity			
(Opening) Capital			183 400 V
Plus profit for year			101 880 V ^f
Less drawings			19 800 V
Closing Capital			\$265 480 V*

Notes	
V	Correct stem (no abbreviations) and figure, correctly classified
V*	Correct process and stem for Net Assets, and process for Closing Capital.
M	Correct figure, correctly classified and correct stem (award V if number incorrect but still correctly classified and correct stem)
E	Correctly calculated figure, correctly classified and correct stem (award V if number incorrect but still correctly classified and correct stem)
EE*	GST – award one E for 2 140 or 2 020 Accounts payable – award one E for 460 or 1 380
F	foreign item
ft	Follow through allowance

Note to the Statement of Financial Position

1. Property, plant and equipment

	Land and building	Office equipment	Shop fittings	Total
	\$	\$	\$	\$
Cost	220 000 V	9 000 V	13 200 E	242 200
Accumulated depreciation	0	3 700 E	6 900 M	10 600
Carrying amount	220 000	5 300	6 300	231 600
				V*

Depreciation is calculated on a straight-line basis at the following rates:

Office equipment is based on a useful life of 5 years and a residual value of \$500

(or \$1700pa or 18.9%) **V#**

Shop fittings \$900 per year (or 7.5%) **V#**

Notes

V Correct PPE account title and figure

V* Process for all carrying amounts, including total column

V# correct depreciation sentences NOT formulae

M Correct figure under correct heading

E Correct figure under correct heading

F Foreign item

Not Achieved		Achievement		Achievement with Merit		Achievement with Excellence	
N1	N2	A3	A4	M5	M6	E7	E8
6 V/M/E	10 V/M/E	12 V/M/E	16 V/M/E	20 V/M/E <i>inc</i> 3 M/E max 1 F	23 V/M/E <i>inc</i> 4 M/E max 1 F	25 V/M/E <i>inc</i> 8 M/E no F	27 V/M/E <i>inc</i> 10 M/E no F No Detracting errors

N0 = No response; no relevant evidence.

Question Three	Evidence																																																														
	<p>Otago Outdoors Cash Budget for the month ended 31 August 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">\$</th> <th style="width: 20%; text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>Estimated cash receipts</td> <td></td> <td></td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">11 200 C</td> <td></td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">4 000 V</td> <td></td> </tr> <tr> <td>Shop fittings</td> <td style="text-align: right;">200 V</td> <td></td> </tr> <tr> <td>Rent received</td> <td style="text-align: right;">2 000 C</td> <td></td> </tr> <tr> <td>Total estimated cash receipts</td> <td></td> <td style="text-align: right;">17 400</td> </tr> <tr> <td>Estimated cash payments</td> <td></td> <td></td> </tr> <tr> <td>Accountancy fees</td> <td style="text-align: right;">1 050 V</td> <td></td> </tr> <tr> <td>GST</td> <td style="text-align: right;">2 100 V</td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">1 600 C</td> <td></td> </tr> <tr> <td>Telephone and Internet</td> <td style="text-align: right;">150 V</td> <td></td> </tr> <tr> <td>Shop fittings (deposit)</td> <td style="text-align: right;">400 C</td> <td></td> </tr> <tr> <td>Salespersons' wages</td> <td style="text-align: right;">3 200 C</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">3 800 V</td> <td></td> </tr> <tr> <td>Total estimated cash payments</td> <td></td> <td style="text-align: right;">12 300</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Surplus/Deficit of cash</td> <td></td> <td style="text-align: right;">5 100</td> </tr> <tr> <td>Opening bank balance</td> <td></td> <td style="text-align: right;">980</td> </tr> <tr> <td>Closing bank balance</td> <td></td> <td style="text-align: right;">6 080</td> </tr> </tbody> </table>				\$	\$	Estimated cash receipts			Sales	11 200 C		Capital	4 000 V		Shop fittings	200 V		Rent received	2 000 C		Total estimated cash receipts		17 400	Estimated cash payments			Accountancy fees	1 050 V		GST	2 100 V		Drawings	1 600 C		Telephone and Internet	150 V		Shop fittings (deposit)	400 C		Salespersons' wages	3 200 C		Purchases	3 800 V		Total estimated cash payments		12 300				Surplus/Deficit of cash		5 100	Opening bank balance		980	Closing bank balance		6 080
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C* correct processing over all 3 areas: surplus (must be indicated), opening bank balance, and closing bank balance)																																																															
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Not Achieved		Achievement		Achievement with Merit		Achievement with Excellence	
N1	N2	A3	A4	M5	M6	E7	E8
2 grades	4 grades	6 grades	8 grades	9 grades inc 3 C max 2 F	10 grades inc 4 C max 1 F	11 grades inc 5 C no F	12 grades inc 6 C no F

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 8	9 – 14	15 – 20	21 – 24