

Assessment Schedule – 2018**Accounting: Prepare financial statements for sole proprietors (90978)****Evidence****Question ONE**

Workout Works				
Income Statement for the year ended 31 March 2018				
	\$	\$	\$	
Revenue				
Membership fees received			241 840	E
Other income				
Dividends received		300		V
Equipment hire received		7 150	7 450	M
Total income			249 290	
Less expenses				
Gym costs				
Advertising	3 800			V
Fitness instructors' wages	70 000			V
Gym cleaning	26 000			V
Gym rent	64 000			V
Gym supplies used	12 000			V
Other gym expenses	7 300			V
Depreciation on exercise equipment	5 400			M
Depreciation on gym fixtures and fittings	4 992	193 492		E
Administrative expenses				
Office expenses	14 680			M
Office salaries	18 500			V
Stationery	800			V
Telephone and internet	1 600			V
Depreciation on office equipment	550	36 130		E
Finance costs				
Interest on loan	2 980	2 980		M
Total expenses			232 602	
Profit for the year			16 688	V*

- V** Correct stem (no abbreviations) and figure, correctly classified.
 - 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).
 - F** Foreign item.
 - V*** Correct stem and correct process.
- (18: 11 V, 4 M, 3 E)**

N1	N2	A3	A4	M5	M6	E7	E8
5 VME	7 VME	9 VME	13 VME	14 VME , including 3 M/E Max 1 F	16 VME , including 4 M/E Max 1 F	17 VME , including 6 M/E No F	18 VME , including 7 M/E No F No detracting errors

Question TWO

Workout Works				
Statement of Financial Position as at 31 March 2018				
	\$	\$	\$	
Current assets				
Gym supplies on hand		2 800		V
Petty cash		100		V
Prepayment		320		M
Accounts receivable		1 656	4 876	E
Non-current assets				
Intangible assets				
Goodwill		12 000		V
Property plant equipment (note 1)				
Total carrying amount		83 158		V(ft)
Investment assets				
Shares in Bodyfix Ltd		8 000	103 158	V
Total assets			108 034	
Less liabilities				
Current liabilities				
Bank overdraft	2 000			V
GST payable	2 653			EE
Accrued expenses	280			M
Income in advance	850			M
Accounts payable	5 543	11 326		E
Non-current liabilities				
Loan (due 2026)		45 000		V
Total liabilities			(56 326)	
Net assets			51 708	V#
Equity				
Opening capital			79 520	V
Profit for the year			16 688	V(ft)
Less Drawings			(44 500)	V
Closing capital			51 708	V#

V: Correct stem (no abbreviations) and figure, correctly classified.

V#: Correct process.

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 3 376 or 2 437.

F: Foreign item.

ft: Follow through.

Note to the Statement of Financial Position

1. Property, plant, and equipment

	Exercise equipment	Gym fixtures and fittings	Office equipment	Total
As at 31 March 2018	\$	\$	\$	\$
Cost	60 820 E	41 600 V	6 200 V	108 620
Less accumulated depreciation	(14 400) M	(9 312) E*	(1 750) E*	(25 462)
Carrying amount	46 420	32 288	4 450	83 158 V#

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

- Office equipment is based on a useful life of 10 years and a residual value of \$700 **V***
- Exercise equipment \$5 400 per year (or 10%) **V***
- Gym fixtures and fittings 12% p.a. **V***

V: Correct PPE title and figure.

V#: Process for all three carrying amounts, and total.

V*: Correct depreciation sentence.

M: Correct figure under correct heading. (Award **V** if incorrect number but greater than / equal to \$9 000.)

E: Correct PPE title and figure. (Award **V** if correct title but incorrect number.)

E*: Correct figure. (Award **V** if incorrect number but greater than / equal to \$4 320 / \$1 200.)

F: Foreign item.

(29: 18 V, 4 M, 7E)

N1	N2	A3	A4	M5	M6	E7	E8
5 VME	7 VME	10 VME	15 VME	23 VME , including 3 M/E Max 1 F	26 VME , including 4 M/E Max 1 F	27 VME , including 9 M/E No F	29 VME , including 11 M/E No F No detracting errors

Question THREE

Workout Works			
Cash Budget for the month ended 31 July 2018			
	\$	\$	
Estimated cash receipts			
Capital	8 000		V
Membership fees received	19 600		V
Office equipment / computer	200		V
Total estimated cash receipts		27 800	
Estimated cash payments			
Wages	5 500		C
Office equipment / computer (deposit)	2 520		C
Electricity	225		V
Shares in Bodyfix Ltd	5 000		V
Loan	920		C
Interest on loan	244		C
Supplies	360		V
Insurance	2 400		V
Office salary	680		V
Office expenses	310		V
Cleaning	940		V
GST	1 910		V
Total estimated cash payments		21 009	
Surplus of cash		6 791	P
Opening bank balance		2 410	V
Closing bank balance		9 201	P

To receive credit, candidate must have the stem under the correct heading:

- C:** Appropriate stem and correct figure. Award **V** if correct stem and incorrect figure.
Award **VF** if correct stem but \$ includes a foreign element.
- V:** Appropriate stem and correct figure (figure provided).
- P:** Correct process – allow follow-through on numbers.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	6 grades	8 grades	12 grades	13 grades inc 2 C max 2 F	15 grades inc 3 C max 1 F	17 grades inc 4 C and 2 P no F	18 grades inc 4 C 2 P no F

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 8	9 – 14	15 – 19	20 – 24