

Assessment Schedule – 2021**Accounting: Prepare financial statements for sole proprietors (90978)****Evidence****Question ONE*****George's Garden World*****Income Statement for the year ended 31 March 2021**

	\$	\$	\$	
Revenue				
Sales		193 600		E
Less sales returns		(6 200)		V
Net sales			187 400	
Less cost of goods sold				
Opening inventory		26 800		V
Purchases		90 040		E
Freight inwards		4 500		V
Goods available for sale		121 340		
Less closing inventory		24 920		V
Cost of goods sold			(96 420)	P
Gross profit			90 980	P
Other income				
Repair fees received		22 500		<u>V</u>
Dividends received		<u>840</u>	<u>23 340</u>	M
			114 320	
Less expenses				
Distribution costs				
Advertising	9 000			V
Insurance (on inventory)	1 260			M
Rent	15 680			E*
Shop electricity	2 200			V
Supplies used	2 740			V
Shop wages	34 200			V
Depreciation on shop equipment	<u>1 680</u>	66 760		E
Administrative expenses				
General expenses	4 660			V
Rent	3 920			*
Office electricity	520			V

Office salary	10 000			V
Depreciation on office equipment	<u>960</u>	20 060		M
Finance costs				
Interest on loan	2 110			M
Interest on overdraft	<u>540</u>	<u>2 650</u>		V
Total expenses			<u>(89 470)</u>	
Profit for the year			<u>\$ 24 850</u>	P

Notes

- 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)
- P** Correct process with sufficient entries and accuracy
- F** Foreign item
- V*** Correct stem and correct process

(24) 13 V 4M 4E 3P

N1	N2	A3	A4	M5	M6	E7	E8
6 V/M/E/P	9 V/M/E/P	11 V/M/E/P	15 V/M/E/P	19 V/M/E/P inc 3 M/E	21 V/M/E/P inc 4 M/E	23 V/M/E/P inc 7 M/E	24 V/M/E/P inc 8 M/E
				max 1 F	max 1 F	no F No detracting errors	no F No detracting errors

N0 = No response; no relevant evidence.

Question TWO

George's Garden World**Statement of Financial Position as at 31 March 2021**

	\$	\$	\$	
Current assets				
Petty cash		50		V
Supplies on hand		210		V
Inventory		24 920		V
Accounts receivable		9 200		E
Prepayment		1 100		M
Accrued income		120	35 600	M
Non-current assets				
Property plant equipment (note 1)				
Total carrying amount		17 550		V ft
Investment assets				
Shares in various companies		9 600	<u>27 150</u>	V
			62 750	
Total assets				
Less liabilities				
Current liabilities				
Bank overdraft	1 170			V
GST payable	4 729			EE
Accounts payable	3 151			E
Accrued expenses	180	9 230		M
Non-current liabilities				
Loan (due 2025)		<u>24 000</u>		V
Total liabilities			<u>33 230</u>	
Net assets			<u>\$29 520</u>	V#
Equity				
Opening capital			30 670	V
Profit for the year			24 850	V ft
Less drawings			<u>(26 000)</u>	V
Closing capital			<u>\$29 520</u>	V#

Notes

- 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 correct stem and classification – award one **E** for 5 140 or \$3 529
(award **V** if number incorrect but still correctly classified and correct stem)
- F** Foreign item
- ft** Follow through

Note to the Statement of Financial Position

1. Property, plant, and equipment

	Office equipment	Shop equipment	Total
As at 31 March 2021	\$	\$	\$
Cost	6 000 V	20 910 V	26 910
Accumulated depreciation V!	3 400 M	5 960 E	9 360
Carrying amount V!	2 600	14 950	17 550 V#

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

Office equipment: \$960 pa V*

Shop equipment: annually based on a residual value of \$750 and a life of 12 years. V*

Notes

V Correct PPE title and figure

V! Correct stem

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/equal to \$7 200)

E Correct PPE title and figure (award V if correct title but incorrect number)

E* Correct figure (award V if incorrect number but greater/equal to \$1 800)

F Foreign item

(28; 19 V 4 M 5E)

N1	N2	A3	A4	M5	M6	E7	E8
5 V/M/E	7 V/M/E	11 V/M/E	17 V/M/E	21 V/M/E inc 3 M/E	24 V/M/E inc 4 M/E	26 V/M/E inc 8 M/E	28 V/M/E inc 9 M/E
				max 1 F	max 1 F	no F No detracting errors	no F No detracting errors

N0 = No response; no relevant evidence.

Question THREE**George's Garden World****Cash Budget for the month of February 2022**

	\$	\$	
Estimated cash receipts			
Sales	18 400		C
Repair fees received	320		C
Capital	10 000		V
Shares	<u>3200</u>		V
Total estimated cash receipts		31 920	
Estimated cash payments			
Rent	1 600		V
Electricity	240		V
Office salary	875		V
Internet and telephone/ General expenses*	140		V
Advertising	600		C
(Shop) Wages	2 736		C
Drawings	1 600		C
Loan	1 880		C
Purchases	6 400		V
Insurance	2 484		V
Vehicle (deposit)	7 200		C
Total estimated cash payments		<u>25 755</u>	
Surplus of cash		6 165	P
Opening bank balance		<u>(2 180)</u>	<u>V</u>
Closing bank balance		\$ 3 985	P

18 (9V, 7C, 2P)

*Note: allow general expenses, as this would be the account in the current trial balance.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	6 grades	8 grades	11 grades	13 grades inc 3 C max 1 F	15 grades inc 4 C max 1 F	16 grades inc 5 C and 2P no F	18 grades inc 7 C 2 P no F

N0 = No response; no relevant evidence.

Cut Scores

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