

Assessment Schedule – 2024**Accounting: Demonstrate understanding of company financial statement preparation (91406)****Evidence****Question One****(a)**

Maleai Limited
General Journal

31/03/24	Land	22 000		PC
	Land revaluation surplus		22 000	
	Record gain on revaluation of land			
31/03/24	Final dividend (2023)		72 000	PC
	Retained earnings	72 000		
	Record the closing entry for the final dividend 2023			

PC P correct stems for debit / credit entries, C for correct figure when P has been awarded

Maleai Limited
General Ledger Buildings

31/03/24	Balance			150 000	Dr	Pb
	Accumulated depreciation buildings		17 000	133 000	Dr	C
	Buildings revaluation surplus	7 000		140 000	Dr	C

Pb correct balance with Dr

C correct debit or credit entry correctly balanced with Dr and appropriate stem – note contra accounts may be abbreviated in the general ledger

(b)

Maleai Limited
Notes to the financial statement (extract)

Property, plant, and equipment (extract)

	Land	Buildings	Boats and equipment	
For the year ended 31 March 2024				
Opening carrying amount	228 000	136 000	462 000	CC
Depreciation		(3 000)	(54 000)	CC
Revaluation gain	22 000	7 000		CC
Closing carrying amount	250 000	140 000	408 000	PP^M

C correct figures for each item correctly labelled in correct cell

Note land opening carrying amount not awarded a grade

A* grades can be awarded for depreciation and revaluation gain C grades with incorrect figures – does not apply to opening carrying amount as the stem was provided

PP^M P process is correct for boats and equipment and land, P^M process is correct for the buildings – depreciation is subtracted, revaluation gain is added, ignore figures

(c)

Maleai Limited**Statement of Financial Position (extract) as at 31 March 2024**

Non-current assets		
Property, plant, and equipment (carrying amount)	798 000	Pft
Goodwill	29 000	P
	827 000	PT

Pft allow follow through from the sum of items in the PPE note**P** correct figure**PT** total only includes PPE and goodwill (not financial assets), ignore figure

(d)

The interim dividend (2024) \$30 000 is a distribution to shareholders and closed to retained earnings in equity, decreasing retained earnings / equity by \$30 000.

The interim dividend of 12.5c per share on 20 000 shares in *MVK Limited* increases dividends received by \$2 500, increasing other income (dividends received reported in other income), increasing profit for the year by \$2 500, therefore increasing retained earnings (profit for the year transferred to retained earnings).

Merit grade (M) figures not required

Interim dividend (2024) decreases retained earnings.

OR

Interim dividend from *MVK Limited* increases dividends received / other income / profit for the year / retained earnings.**Excellence grades (2E) must include relevant figures and explanation**

Interim dividend (2024) \$30 000 is closed to retained earnings because it is a distribution to shareholders decreasing retained earnings (this E grade must have the reason – distribution to shareholders – not just that it is closed to retained earnings).

Interim dividend (12.5c on 20 000 shares) \$2 500 increases dividends received and other income therefore profit for the year, and retained earnings (must include both increase in profit and retained earnings).

18 PC grades

N1	N2	A3	A4	M5	M6	E7	E8
5 grades can include A* .	6 grades can include A* .	2 C plus 6 more grades can include A* .	3 C plus 6 more grades.	6 C M or P ^M plus 5 more grades. Max 1 F.	8 C M or one E plus 5 more grades. No F.	15 PC grades plus 1 E. No F.	17 PC grades plus 2 E. No F.

N0 = No response; no relevant evidence

A* grades are awarded where available for a correct stem, correct classification, but incorrect figure.

A* grades are only included in the total grades for N1, N2, and A3.

A* grades are not available for journal or ledger entries.

Question Two**(a)**

Maleai Limited
General Journal

31/03/24	Income summary / profit (for the year)	177 200		PC
	Retained earnings		177 200	
	Closing entry for profit for the year \$177 200			

PC correct stems for debit / credit entries, C for correct figure when P has been awarded

Maleai Limited
General Ledger Retained earnings

31/03/24	Balance			165 000	Cr	Pb
	Bank share repurchase	3 000		162 000	Cr	C
	Income summary / profit (for the year)		177 200	339 200	Cr	P
	Final dividend (2023)	72 000		267 200	Cr	P
	Interim dividend (2024)	30 000		237 200	Cr	P

Pb correct balance with Cr

C and P correct debit or credit entry correctly balanced with Cr and appropriate stem

(b)

Maleai Limited Statement of Financial Position (extract) as at 31 March 2024

Current liabilities			
Accounts payable	31 000		P
GST	7 200		P
Accrued expense	1 500		C
Income in advance	18 000		C
Tax payable	20 300		C
Mortgage (due October)	20 000		C
Total current liabilities		98 000	PT

Maleai Limited Statement of Financial Position (extract) as at 31 March 2024

Equity			
Contributed equity	429 000		C
Retained earnings	237 200		Cft
Buildings revaluation surplus	25 800		C
Land revaluation surplus	46 000		C
Total equity		738 000	PT

C and P correct stem, correct figure – award A* for C items with incorrect figure

PT total includes ALL correct items and NO additional items, ignoring figure

Cft allow follow through from the retained earnings account closing balance

(c)

5 000 shares repurchased at a fair value of \$2.80 decreases the bank account and therefore current assets by \$14 000. Contributed equity decreases by $5\,000 \times \$2.20 = \$11,000$ (original issue amount of the shares) while retained earnings decreases by \$3 000 (\$14 000 total minus \$11 000 decrease in contributed equity) so total equity also decreases by \$14 000.

Merit grade (M) figures are not required

Share repurchase will decrease (current asset) bank.

OR

Share repurchase will decrease equity.

Excellence grades (2E) must include relevant figures

Includes \$14 000 for the decrease in bank and therefore current assets.

Includes correct figures for separate decreases in contributed equity and retained earnings therefore total equity decrease \$14 000.

19 PC grades

N1	N2	A3	A4	M5	M6	E7	E8
5 grades can include A*.	6 grades can include A*.	2 C plus 6 more grades can include A*.	3 C plus 6 more grades.	6 C M or PT plus 5 more grades. Max 1 F.	8 C M or 1 E plus 5 more grades. No F.	15 PC grades plus 1 E. No F.	17 PC grades plus 2 E. No F.

N0 = No response; no relevant evidence

A* grades are awarded where available for a correct stem, correct classification, but incorrect figure.

A* grades are only included in the total grades for N1, N2, and A3.

A* grades are not available for journal or ledger entries.

Question Three**(a)****Working**

Labelled working that can be used for marking purposes (other working not included).
 Working can take the form of three column or T form ledger accounts. Ledger accounts must show correct treatment of items.
 All working figures in \$000.

Accounts receivable		Accounts payable	
Sales	1 920	Cost of goods sold	947
Plus opening balance	15	Plus opening balance	32
Minus closing balance	(12)	Plus closing inventory	137
Minus discount allowed	(7)	Minus closing balance	(48)
	1 916	Minus closing inventory	(128)
		Minus discount received	(10)
			930

Lesson equipment

Either		Or	
Opening cost	175	Cost of purchase	15
Minus cost of equipment sold	(25)	Minus trade-in allowance [carrying amount 16 minus loss on trade-in 5]	(11)
Minus closing balance	(165)	Cash for purchase	4
	(15)		

Waiata Tunes Limited**Statement of Cash Flows (extract) for the year ended 31 March 2024**

	\$000	\$000	\$000	
Operating activities				
<i>Cash was provided from</i>				
Customers / Accounts receivable	1 916			CCw
Lesson income	78			C
Dividends received	7	2 001		C
<i>Cash was applied to</i>				
Suppliers / Accounts payable	930			CCw
Employees / Wages	504			C
Expenses	325			C
Interest (on loan)	18			P
(Income) tax(ation) (expense / payable)	97	1 874		C
Net cash from operating activities			127	PT
Investing activities				
<i>Cash was provided from</i>				
(Sale of) shop fittings	12	12		C
<i>Cash was applied to</i>				
Shop fittings	50			C
Lesson equipment	4			CCw
Financial assets / Shares in <i>GHL</i>	30	84		C
Net cash from investing activities			(72)	PT

CCw award two C for correct figure with appropriate stem, Cw if partially correct, identifiable working in working box

C and P appropriate stem, correct figure – award A* for C items with incorrect figure

PT total includes ALL correct items and NO additional items, ignoring figures

F foreign item includes any reference to land or sale of lesson equipment or purchase of lesson equipment reported as 15, or increase in fair value of financial assets or financial assets purchase reported as 35, financing activity items are not foreign

(b)

Waiata Tunes Limited
General Journal

15/12/23	Interim dividend (2024)	48 000		PC*
	Bank		48 000	
	Payment of interim dividend			
31/03/24	Increase in fair value of financial assets / shares		5 000	PC
	Shares in GHL	5 000		
	Increase in fair value of financial assets			

PC P correct stems for debit / credit entries, C for correct figure when P has been awarded

C* required for E8

Note: all figures may be in \$000 even if columns are not headed up \$000

(c)

The 50 000 shares, issued through a sharebroker who charged a 7.5% brokerage fee, raised \$185 000 in cash. So, 50 000 shares at \$4 less 7.5% brokerage fee, which is reported in the cash flow statement in financing activities, increasing the cash received / cash surplus (decreasing cash deficit) from financing activities. This would have increased the cash / bank balance at the end of the year / contributed to the \$120 000 increase in the bank balance at the end of the year.

One Merit grade (M) figures not required

Share issue an inflow / cash provided from / increase in financing activities.

OR

Share issue increases cash from financing activities therefore increases closing cash / bank balance.

Two Excellence grades (2E) must include relevant figures

Both share issue \$185 000 increases cash from financing activities and link to increases cash / bank balance.

PLUS

Adds 50 000 shares at \$4 less 7.5% brokerage fee to explain the \$185 000 or refers to the idea of contribution to the \$120 000 increase in bank (from overdraft \$50 000 to positive balance \$70 000).

Total 21 PC grades

N1	N2	A3	A4	M5	M6	E7	E8
6 grades can include A* .	7 grades can include A* .	2 C plus 7 more grades can include A* .	3 C plus 8 more grades.	5 C plus 8 more grades. Max 1 F .	7 C 1 M or E plus 8 more grades. No F .	18 grades plus 1 E. No F .	19 grades incl. C* plus 2 E. No F .

N0 = No response; no relevant evidence

A* grades are awarded where available for a correct stem, correct classification, but incorrect figure.

A* grades are only included in the total grades for N1, N2, and A3.

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Cut Scores

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