

Assessment Schedule – 2025**Accounting: Interpret accounting information for entities that operate accounting subsystems (91177)****Evidence**

Question ONE	Sample Evidence
(a)	<p>The percentage change in fees received of 6.8% in 2025 means that <i>Direct Delivery</i> received 6.8% more fees received in 2025 than it did in 2024 / for every \$1 of fees received in 2024, <i>Direct Delivery</i> received \$1.068 / \$1.07 fees in 2025.</p> <p>The reason for this increase is (one of):</p> <ul style="list-style-type: none"> • The increase in online shopping resulting in an increase in courier deliveries being demanded, increasing the customers for <i>Direct Delivery</i>, and therefore an increase in courier fees received. • The decrease in the NZ Post's services has increased the demand / number of customers for courier services (unhappy customers want a new courier / more people needing a courier) resulting in more / new customers, therefore increasing the fees received in 2025 by 6.8% / from \$148 000 to \$158 000 (by \$10 000). • The larger courier customers are focusing on out-of-town deliveries and customers are switching to <i>Direct Delivery</i> for their courier needs, increasing the fees received in 2025.
(b)	<p>Replacing the petrol van with the hybrid van has been a good financial decision for <i>Direct Delivery</i>.</p> <p>The courier cost percentage of 67.0% in 2025 means that <i>Direct Delivery</i> spent 67% of its income from fees received on courier expenses / for every \$1 earned from fees received, <i>Direct Delivery</i> spent 67 cents on courier cost.</p> <p>During the year, courier costs had mixed results. The petrol expense has decreased from \$34 000 to \$28 900 due to the hybrid van being more fuel efficient. <i>Direct Delivery</i> doesn't need to use as much petrol for the same distances as last year when it had two petrol vans. The hybrid van increased the insurance cost by \$3 000 because the new van has a higher cost / value. The drivers' wages and other expenses were not affected by the van purchase because there are still two vans and routes, therefore these costs stayed the same.</p> <p>Purchasing the hybrid van has caused the trend in the courier cost percentage decreasing from 73% to 67%. The new van has caused the petrol expense to decrease by \$5 100 / petrol expense percentage to fall from 23.0% to 18.3%, which has outweighed the increase in insurance of \$3 000. This has led to a decrease in total courier cost percentage overall. This decrease in costs, as well as the increase in fees received, has led to an increase in profit from \$32 000 to \$41 900 / profit percentage from 21.6% to 26.5% in 2025.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>With minimal / no reference to context, provides ONE description or TWO partial descriptions.</p>	<p>With minimal / no reference to context, provides TWO descriptions or ONE description and ONE partial description.</p>	<p>With some reference to context describes THREE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of percentage change in fees received of 6.8% • increase in fees received due to online shopping / increase in demand <p>Part (b)</p> <ul style="list-style-type: none"> • the meaning of courier cost % • hybrid van decreased petrol costs • hybrid van increased insurance costs • hybrid van had no impact on the drivers' wages or other courier costs • decrease in courier expenses increased profit. 	<p>With some reference to context, describes FIVE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of percentage change in fees received of 6.8% • increase in fees received due to online shopping / increase in demand <p>Part (b)</p> <ul style="list-style-type: none"> • the meaning of courier cost % • hybrid van decreased petrol costs • hybrid van increased insurance costs • hybrid van had no impact on the drivers' wages or other courier costs • decrease in courier expenses increased profit. 	<p>With reference to context, explains TWO of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • 6.8% increase in fees received due to online shopping / NZ Post decrease, and new / more customers <p>Part (b)</p> <ul style="list-style-type: none"> • courier costs impacted by the purchase of the new hybrid van, with two different examples • decrease in courier expenses increased profit. 	<p>With reference to context, explains THREE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • 6.8% increase in fees received due to online shopping / NZ Post decrease, and new / more customers <p>Part (b)</p> <ul style="list-style-type: none"> • courier costs impacted by the purchase of the new hybrid van, with two different examples • decrease in courier expenses increased profit. 	<p>Part (b)</p> <p>Discusses how the hybrid van decreased the petrol expense \$5 100, increased the insurance by \$3 000, and why they didn't have an impact on the drivers' wages and other courier costs</p> <p>OR</p> <p>Justifies how courier cost % decreases because of the purchase of the hybrid van, due to the decrease in petrol expense \$5 100 outweighing the increase in insurance costs \$3 000, resulting in decrease in total courier costs and courier cost %, which results in an increase in profit of \$9 900.</p>	<p>Part (b)</p> <p>Discusses how the hybrid van decreased the petrol expense \$5 100, increased the insurance by \$3 000, and why they didn't have an impact on the drivers' wages and other courier costs</p> <p>AND</p> <p>Justifies how courier cost % decreases because of the purchase of the hybrid van, due to the decrease in petrol expense \$5 100 outweighing the increase in insurance costs \$3 000, resulting in decrease in total courier costs and courier cost %, which results in an increase in profit of \$9 900.</p>

N0 = No response; no relevant evidence.

Question TWO	Sample Evidence
(a)	<p>The age of accounts receivable of 46 days means that in 2024, the accounts receivables / debtors took on average 46 days to pay their accounts to <i>Direct Delivery</i>.</p> <p>In 2025, the age of accounts receivable increased to 67 days, which means debtors were taking on average 21 more days to pay back their debts. The reason for this poor / increasing trend could be that:</p> <ul style="list-style-type: none"> • Due to the increase in demand for courier services, Dan has been too busy to follow up the accounts receivable who haven't paid their accounts on time. • Dan has allowed the existing credit customers / accounts receivable to have an increased limit, or allowed new customers to purchase on credit, and they haven't been able to pay the amounts back on time, resulting in an increased age. • The existing accounts receivables have faced financial difficulties and haven't been able to pay their accounts on time, resulting in an increase in the age of accounts receivable. <p>Note: Not bad debts, doubtful debts.</p> <p>One action Dan could follow to ensure that the age of accounts receivable is reduced / improved could be:</p> <ul style="list-style-type: none"> • making phone calls / sending reminder letters to those who are outstanding for more than a month to remind them to pay, which will lower the average time it takes to receive the payment • to stop allowing further credit to those accounts overdue by more than a month to ensure they pay up before allowing more credit and making the age worsen • doing thorough credit checks on all credit customers to make sure they still meet the criteria and remind them of the payment expectations • offering a prompt-payment discount or charging interest on overdue fees. <p>As a result of the recommendation, there will be an increase in expenses to process and send reminder letters / following up debtors, which will create an increase in administrative expenses and therefore decrease profit in 2026.</p> <p>OR</p> <p>If <i>Direct Delivery</i> stops credit for some customers, the 2026 profit is likely to decrease due to a decrease in fees received.</p> <p>OR</p> <p>Discount allowed will increase expenses. Interest charged on overdue fees will increase other income.</p> <p>For any chosen action, the 2026 profit might increase because there will be a decrease in doubtful debts / bad debts, therefore the overall profit can increase.</p>
(b)	<p>The liquid ratio of 4.56:1 tells Dan that <i>Direct Delivery</i> has \$4.56 liquid assets to repay every \$1 of liquid liabilities. This indicates that it should be able to repay its immediate debts in the normal course of business.</p>

However, this result is misleading as:

- Accounts receivable are \$19 400 (94%) of the total \$20 700 liquid assets. Given that the debtors are taking more than 6 weeks to pay (67 days on average), *Direct Delivery* will have difficulty repaying its accounts payable and GST accounts, as the money from the debtors is needed for this to happen.
- Bank is only \$1 300, and the liquid liabilities are \$4 540, so Dan needs at least \$3 240 from the debtors to meet the liquid debts, which might not be paid.

One potential consequence is that *Direct Delivery*:

- might not be able to repay its accounts payable on time and therefore might not be able to purchase petrol on credit, or may be charged interest / overdue fees and have to pay more
- might struggle to pay its expenses, e.g. the drivers' wages, as not enough debtors are paying quickly enough to increase *Direct Delivery's* bank account, which will make it difficult to keep offering the same amount of courier services and *Direct Delivery* might lose customers.

N1	N2	A3	A4	M5	M6	E7	E8
<p>With minimal / no reference to context, provides ONE description or TWO partial descriptions.</p>	<p>With minimal / no reference to context, provides TWO descriptions or ONE description and ONE partial description.</p>	<p>With some reference to context describes THREE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of 46-day age of accounts receivable • valid reason debtors not paying accounts on time • one recommendation to improve age of debtors <p>Part (b)</p> <ul style="list-style-type: none"> • liquid ratio means \$4.67 liquid assets to repay \$1 liquid liabilities • should be able to meet immediate debts • misleading or one valid consequence. 	<p>With some reference to context, describes FIVE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of 46-day age of accounts receivable • valid reason debtors not paying accounts on time • one recommendation to improve age of debtors <p>Part (b)</p> <ul style="list-style-type: none"> • liquid ratio means \$4.67 liquid assets to repay \$1 liquid liabilities • should be able to meet immediate debts • misleading or one valid consequence. 	<p>With reference to context, explains TWO of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of 46-day age of accounts receivable, with a valid reason for debtors not paying accounts on time • one recommendation to improve age of debtors, with a link to profit <p>Part (b)</p> <ul style="list-style-type: none"> • liquid ratio means \$4.67 liquid assets to repay \$1 liquid liabilities and should be able to meet immediate debts on time • misleading and one valid consequence. 	<p>With reference to context, explains THREE of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • meaning of 46-day age of accounts receivable, with a valid reason for debtors not paying accounts on time • one recommendation to improve age of debtors, with a link to profit <p>Part (b)</p> <ul style="list-style-type: none"> • liquid ratio means \$4.67 liquid assets to repay \$1 liquid liabilities and should be able to meet immediate debts on time • misleading and one valid consequence. 	<p>With reference to context, justifies ONE, and the other weaker, of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • the reason for trend in age of accounts receivable, with a valid reason linked to resource, and the impact on profit explained <p>OR</p> <p>Part (b)</p> <ul style="list-style-type: none"> • why the liquid ratio is misleading, and one possible consequence if not addressed. 	<p>With reference to context, justifies BOTH of:</p> <p>Part (a)</p> <ul style="list-style-type: none"> • the reason for trend in age of accounts receivable, with a valid reason linked to resource, and the impact on profit explained <p>AND</p> <p>Part (b)</p> <ul style="list-style-type: none"> • why the liquid ratio is misleading, and one possible consequence if not addressed

N0 = No response; no relevant evidence.

Question THREE	Sample Evidence
(a)	<p>Currently, <i>Direct Delivery</i> has good financial stability.</p> <p>The equity ratio of 0.75:1 tells Dan that he has financed 75% / 75 cents of every \$1 of <i>Direct Delivery</i>'s total assets. This is a strong position as he has financed more than half the assets / more than the liabilities have been financed.</p> <p>The finance cost percentage has increased from 1.3% to 2.7%, at the same time the equity ratio has decreased from 0.79:1 to 0.75:1. This is because of the increase in loan to purchase the hybrid van which increased the total assets. Loan has increased from \$8 000 in 2024 to \$24 000 in 2025, which has increased the total liabilities and the total assets, without increasing the capital other than through the 2024 profit, therefore decreasing the equity ratio. The increase in loan has led to increase in interest paid from \$2 000 to \$4 200, which has increased the finance cost percentage despite the increase in fees received. If <i>Direct Delivery</i> hadn't purchased the hybrid van, the loan and interest on loan wouldn't have increased and the equity ratio wouldn't have decreased.</p>
(b)	<p>There are two possible answers to this question (NOT a mixture / compromise). Regardless of the recommendation, a justified recommendation requires at least one analysis measure and two other reasons based on the resource information / previous calculations to support it. There must also be \$ figures. The bullet points provide examples. The candidate answer should be written in sentences.</p> <p>YES Recommendation: Expand with the additional courier route</p> <p>Possible reasons include:</p> <ul style="list-style-type: none"> • Fees received are expected to increase by 60% to \$252 800, compared to an increase of 6.7% this year. This is a large increase in revenue which will increase profit for the year. • Petrol is expected to increase to \$42 000, but this will be only 16.6% petrol %, which is a decrease from this year's 18.3%. • The additional route will increase the number of customers and therefore provide more publicity driving around new parts of town. The income might increase by more than the predicted 60%. • The new hybrid van will be economical to run and might attract new customers who want their courier to be environmentally conscious, increasing revenue. • The equity ratio will become 0.67:1 given the other accounts remain constant. This is still a good ratio with Dan financing more than half the business assets. • The current return on equity in 2025 for Dan is 56% compared to 3.8% interest in the bank, so Dan is much better investing his savings in the business than the bank. <p>NO Recommendation: Stay with the existing situation / don't expand</p> <ul style="list-style-type: none"> • The loan will increase from \$24 000 to \$46 000, which will also increase the interest expense by an additional \$1 980, increasing future debt repayments and expenses. • Insurance will increase by \$11 000 due to the additional van, increasing total expenses. • The equity ratio will decrease to 0.67:1, which is a large decrease from 0.75:1 in 2025, and means the business is less stable. • Dan will need to hire and train another driver, and possibly a second relief driver, which will take time away from his courier driving. • The additional route will add to Dan's stress and workload.

<ul style="list-style-type: none"> • Dan needs to prioritise sorting out the current age of accounts receivable and risk of not being able to meet liquid and current debts before looking to expand. • The loan increased by \$16 000 this year, so Dan shouldn't increase <i>Direct Delivery's</i> loan further next year. • 60% increase in fees is a high prediction, and if this target isn't met it will be difficult to repay the loan and increase in expenses.
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N1	N2	A3	A4	M5	M6	E7	E8
With minimal / no reference to context, provides ONE description or TWO partial descriptions.	With minimal / no reference to context, provides TWO descriptions or ONE description and ONE partial description.	With some reference to context describes THREE of: Part (a) <ul style="list-style-type: none"> • meaning of equity ratio 0.75:1 • financially stable: Dan invested more than liabilities • reasons for trend either financial cost or loan is increase in loan Part (b) <ul style="list-style-type: none"> • states a recommendation with one valid reason • a second valid reason for the recommendation. 	With some reference to context, describes FOUR of: Part (a) <ul style="list-style-type: none"> • meaning of equity ratio 0.75:1 • financially stable: Dan invested more than liabilities • reasons for trend either financial cost or loan is increase in loan Part (b) <ul style="list-style-type: none"> • states a recommendation with one valid reason • a second valid reason for the recommendation 	With reference to context, explains TWO of: Part (a) <ul style="list-style-type: none"> • meaning of equity ratio 0.75:1, which means <i>Direct Delivery</i> is financially stable / Dan invested more than liabilities • the reason for trends is increase in loan \$16 000 (\$24 000 – \$8 000) to buy the hybrid van Part (b) <ul style="list-style-type: none"> • recommendation with TWO valid reasons including at least one analysis measure. 	With reference to context, explains THREE of: Part (a) <ul style="list-style-type: none"> • meaning of equity ratio 0.75:1, which means <i>Direct Delivery</i> is financially stable / Dan invested more than liabilities • the reason for trends is increase in loan \$16 000 (\$24 000 – \$8 000) to buy the hybrid van Part (b) <ul style="list-style-type: none"> • recommendation with TWO valid reasons including at least one analysis measure. 	With reference to context, justifies ONE of, and one weaker: Part (a) <ul style="list-style-type: none"> • the reason for both trends is the increase in loan \$16 000 to buy the hybrid van, increased interest \$ / % (interest \$2 000 to \$4 200), and no change to capital, but liabilities increase OR Part (b) <ul style="list-style-type: none"> • a recommendation with at least THREE valid reasons, including at least one analysis measure, and \$ figure discussed. 	With reference to context, justifies BOTH of: Part (a) <ul style="list-style-type: none"> • the reason for both trends is the increase in loan \$16 000 to buy the hybrid van, increased interest \$ / % (interest \$2 000 to \$4 200), and no change to capital, but liabilities increase AND Part (b) <ul style="list-style-type: none"> • a recommendation with at least THREE valid reasons, including at least one analysis, and \$ figure discussed.

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0–7	8–13	14–19	20–24