

Assessment Schedule – 2025

Accounting: Demonstrate understanding of accounting concepts for a New Zealand reporting entity (91404)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<i>Demonstrate understanding</i> involves applying accounting concepts to a New Zealand reporting entity so that its stakeholders are able to make decisions.	<i>Demonstrate in-depth understanding</i> involves explaining the application of accounting concepts to a New Zealand reporting entity so that its stakeholders are able to make decisions.	<i>Demonstrate comprehensive understanding</i> involves justifying the application of accounting concepts to a New Zealand reporting entity so that its stakeholders are able to make decisions.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0–7	8–13	14–18	19–24

Evidence

Q	Evidence
ONE (a)	Limited liability is a form of legal protection for shareholders that means Petra cannot be held personally liable for MFB's debts or financial losses. Petra's private assets are not at risk if MFB fails or is unable to pay its debts.
(b)	<p>Reporting entities, such as MFB, that comply with NZGAAP use the same rules, practices, procedures, and broad concepts when reporting financial information such as assets, liabilities, incomes and expenses, and cash flows in their annual reports / financial statements. This means measurements of financial elements are consistent across time and entities. Compliance with NZGAAP gives Petra confidence that the financial statements are reliable and comparable with those of other companies. This enhances her ability to analyse MFB's performance against other investment opportunities, helping her make sound decisions.</p> <p>The auditor's report is a statutory requirement because it provides an independent opinion that proper accounting records have been kept by MFB, and the financial statements comply with New Zealand Generally Accepted Accounting Practice and International Financial Reporting Standards. The auditor confirms that the financial statements give a true and fair view of MFB's financial performance, financial position and cashflows. The auditor's report ensures Petra can trust the integrity of the reported financial information and that her investment decisions are based on credible data.</p> <p>Comparability means that Petra can compare MFB's financial statements with other reporting entities' financial statements, or MFB's financial statements over time, to help her make decisions about whether to hold, sell, or increase her investment in MFB shares.</p> <p>Timely reporting ensures that Petra receives up-to-date information, allowing her to make decisions before the information becomes outdated. MFB needs to report to shareholders like Petra within four months of balance day, ensuring the information is relevant / timely for Petra's decision making.</p>

Note: An explanation is not a description – it includes a reason or a why, often seen by words such as 'because' or 'as', or an addition clarifying what a statement means.

N1	N2	A3	A4	M5	M6	E7	E8
ONE description with limited context.	TWO descriptions with limited context.	ONE explanation with some reference to context.	TWO explanations with some reference to context.	ONE explanation from (b) in context. ONE more explanation from (a) or (b).	THREE explanations in context.	Integrates the context into explanations of the criteria for financial statements, linked to Petra's decision-making. One part may be weaker.	Integrates the context into explanations of the criteria for financial statements, linked to Petra's decision-making.

N0 = No response; no relevant evidence.

Q	Evidence
TWO (a)	The Better, Safer Food initiative demonstrates MFB’s dedication to sustainability, for example local sourcing and risk management such as allergens and labelling, and food safety. These factors enhance the company’s reputation, reduce risks, and support long-term profitability, making this information highly relevant to Petra as she evaluates whether to hold, sell, or increase her shareholding in MFB.
(b)	<p>Transactions are recognised by MFB when they occur and are reported in the financial statements of the period to which they relate.</p> <p>Wages and salaries are reported as an expense in MFB’s Statement of Comprehensive Income for the year ended 31 March 2024. The wages and salaries account will include the \$652 000 (owing) to show the total wages and salaries expense for the (current) year (ended 31 March 2024).</p> <p>Accrued wages and salaries are reported as a current liability of \$652 000 in MFB’s Statement of Financial Position as at 31 March 2024. MFB has an obligation to pay their employees the monies owing within the next pay period, be that the next week, fortnight, or month. The employees must be paid for work that has been performed in the past as per their employment contracts. MFB will have to pay cash of \$652 000 to the employees, which will decrease MFB’s bank.</p> <p>The wages and salaries owing can be measured reliably because the workers have already done the work in the current period, but have not yet been paid, and the workers’ hours will be recorded / the workers have a contract with the amount they are paid per hour / week / month. This information is complete, free from bias, and neutral.</p>

N1	N2	A3	A4	M5	M6	E7	E8
ONE description with limited context.	TWO descriptions with limited context.	ONE explanation with some reference to context.	TWO explanations with some reference to context.	ONE explanation from (b) in context. ONE more explanation from (a) or (b) in context.	THREE explanations in context.	Integrates the context into explanations of accrual basis linked to the statement of comprehensive income, the statement of financial position, the liability definition, and reliable measure aspect of the recognition criteria. One part may be weaker.	Integrates the context into explanations of accrual basis linked to the statement of comprehensive income, the statement of financial position, the liability definition, and reliable measure aspect of the recognition criteria.

N0 = No response; no relevant evidence.

Q	Evidence
<p>THREE (a)</p>	<p>Having three core brands provides diversification in product offerings, which helps MFB appeal to a broader range of customers. This diversification reduces risk and increases resilience to market changes. For Petra, this is critical because it indicates that the company has a robust business model capable of sustaining and growing its revenue streams.</p> <p>Strong brands are vital for retaining customers and achieving repeat business. They create trust, familiarity, and emotional connections with consumers. For Petra, this indicates that the company can maintain or grow its customer base, leading to steady revenues and profit.</p> <p>Core brands are often at the heart of marketing, product development, and customer engagement strategies. The success of these brands directly affects the company’s financial performance and reputation in the market. By investing in three core brands, MFB signals its focus on building long-term value, which is important for Petra as a shareholder seeking sustainable returns.</p> <p>Strong branding helps MFB differentiate itself from competitors in the food delivery and meal kit industry. If the company’s brands are well-positioned and resonate with their target audiences, it is more likely to achieve long-term success. For Petra, this differentiation suggests a potential for competitive advantage and growth in shareholder value. This can guide her decision to remain committed as a shareholder, particularly if the brands are a key driver of profitability and growth.</p>
(b)	<p>Brands are an intangible asset for MFB because they are non-physical resources with a value of \$18.4m that contribute to the company’s ability to generate sales.</p> <p>The brands result from a past transaction as the \$18.4 million likely reflects investment in acquiring or developing the brands, for example marketing and customer loyalty.</p> <p>It is controlled by MFB as it has exclusive rights to its brands and controls their use to generate economic benefits.</p> <p>The brands are expected to provide future economic benefits as strong branding attracts and retains customers, leading to sustained revenue and profitability.</p> <p>It is probable that future economic benefits will flow to MFB as brands help build customer loyalty, justify premium pricing, and drive market share growth, which are all sources of future economic benefits.</p> <p>The \$18.4 million can be measured with reliability as the brands are recognised at cost or at their fair value if acquired as part of a business combination. A source document, for example agreement of purchase, will give faithful representation being complete, free from error, and neutral.</p>

N1	N2	A3	A4	M5	M6	E7	E8
ONE description with limited context.	TWO descriptions with limited context.	ONE explanation with some reference to context.	TWO explanations with some reference to context.	THREE explanations in context.	THREE explanations in context, with at least one recognition criteria correctly explained.	Accurately integrates the context into explanations related to the brands asset, including both recognition criteria, and explains why three core brands are important to MFB.	Accurately integrates the context into explanations related to the brands asset, including both recognition criteria, and explains why three core brands are important to MFB AND how they affect Petra’s decision making.

N0 = No response; no relevant evidence.