

Assessment Schedule – 2025

Accounting: Demonstrate understanding of management accounting to inform decision-making (91408)

Evidence

(a)

Noa’s cash budget for the six winter months ended 30 September 2026		
	Add video to wedding photography package	Contract work for local photographer
Estimated receipts		
Wedding clients	25 600	
Loan from Dad	3 000	
Contract photography income		39 000
Total estimated receipts	28 600	39 000
Estimated payments		
Variable costs	13 600	
Insurance	2 500	
Other fixed costs cash	4 000	
Workshop	8 000	
Contract photography expenses		5 200
Total estimated payments	28 100	5 200
Surplus (deficit) of cash	500	33 800

(b)

Noa won't receive any income or spend any money with the contract photography / work for the local photographer option in summer as he won't work, so the \$33 800 net cash in winter would have to last over summer if he chose this option.

The summer months will generate a much higher cash surplus for the weddings with video added.

Noa won't have to pay the annual insurance \$2 500 in summer, but he will have the \$3 000 loan to pay off.

Three times more weddings generate \$76 800 in cash receipts while payments would be \$4,000 for other fixed costs, \$3 000 for the loan and variable costs \$40 800, leaving a surplus of \$29 000 cash over summer – much greater than the winter surplus of only \$500.

Completing the summer budget, he can compare the \$33 000 contract cash surplus with the \$29 500 total wedding cash for the current year (2026 / 27).

(c)

$6\,400 - 3\,400 = 3\,000$ $12\,000 \div 3\,000 = 4$
Break-even number of weddings with video added <u>4</u> per year

(d)

Noa would only do four weddings over the winter of 2026. He would just break even meaning zero profit; he would need to do more than four weddings over winter to earn a profit if he only completed weddings in winter.

(e)

<p>12 000 + 29 400 = 41 400 41 400 ÷ 3 000 = 13.8</p>	<p>Number of weddings to achieve a profit of \$29 400 <u>14</u></p>
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(f)

<p>Recommendation may be Yes or No.</p>
<p>If wedding photography with video chosen:</p> <ul style="list-style-type: none"> • Additional calculation: the margin of safety for the year is very high 16 weddings in total ÷ break-even of four weddings = 75%. • If Noa does 4 weddings in winter, he breaks even so every summer wedding adds to his profit. • His total cash earnings / surplus going forward if he continues with the wedding photography business and does 16 weddings a year (after paying for the training and loan) would be \$37 500, which is more than the photography (winter) work net cash earnings of \$33 800. • Potential profits going forward would be \$36 000. • He receives cash surplus in winter and summer going forward, whereas photography (winter) work only provides cash during winter months. • Helping with family finances might be better if cash comes in over the whole year and not only for half a year as with photography work. • Noa loves wedding photography. • He won't be too busy in winter (only 4 weddings) to go on holiday with his family to the national parks. • Video is popular and he might get more clients so he can fit them in. • If he becomes skilled with more experience, he may be able to earn more by charging clients a higher price for better quality results. • He can meet the old profit target in 14 weddings as opposed to 32 weddings.
<p>If working for a photographer chosen:</p> <ul style="list-style-type: none"> • Noa only needs to work in winter, and he receives nearly as much cash surplus, \$33 800 compared to \$37 500 (once no longer needing to cover workshop and loan), as he does over a whole year of wedding photography. • Noa only needs to work in winter, and he receives more than he earned before when he worked 32 weddings (\$29 400). • Having a larger amount in winter might help make a lump sum deposit towards his mortgage. • He can spend all the summer with his family. • As he only works part time hours (20 a week), he can still enjoy winter breaks with his family. • He doesn't have the responsibility of completing photography packages for clients. • He doesn't need to spend time getting clients so life will be calmer for his family. • He doesn't need to have the stress of managing / running his own business. • While he has a high enough margin of safety (MOS) in terms of generating a profit (MOS = 12 weddings), if he wants to earn as much profit from weddings as previously, his MOS is very small, 14 weddings is only 2 below the number across the whole year – 16, so if he lost one or two clients, for example because of the high cost of living, he wouldn't be doing any better.

N1	N2	A3	A4	M5	M6	E7	E8
Minimal relevant evidence across (a) to (f). Minimal reference to context.	Some relevant evidence across (a) to (f). Minimal reference to context.	Some relevant evidence with reference to context across (a) to (f). Parts may be weaker. Evidence may come entirely from the planning box.	Some relevant evidence with reference to context across (a) to (f).	Relevant, detailed evidence in context across (a) to (f). (f) includes relevant, detailed financial OR non-financial information in context.	Relevant, detailed evidence in context across (a) to (f). (f) includes relevant, detailed financial AND non-financial information in context.	Integrates context to relevant and accurate evidence that supports and justifies the recommendation in (f). Shows an understanding of the wider context / long-term significance of the decision. One part of the recommendation may be weaker.	Integrates context to relevant and accurate evidence that supports and justifies the recommendation in (f). Shows an understanding of the wider context / long-term significance of the decision.

N0 = No response; no relevant evidence

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0–2	3–4	5–6	7–8