NZQA

NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
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Level 1 Accounting, 2015

90978 Prepare financial statements for sole proprietors

9.30 a.m. Tuesday 1 December 2015
Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial statements for sole proprietors.	Prepare in-depth financial statements for sole proprietors.	Prepare comprehensive financial statements for sole proprietors.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

Pull out Resource Booklet 90978R from the centre of this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–8 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TOTAL

QUESTION ONE: INCOME STATEMENT

Refer to Resource Booklet 90978R to answer this question.

Prepare the Income Statement for *Mount Dairy* for the year ended 31 March 2015.

Use the following expense headings:
- Distribution costs
- Administrative expenses
- Finance costs.

Note: Do NOT use abbreviations.

Mount Dairy Income Statement for the year ended 31 March 2015			
	$	$	$

QUESTION TWO: STATEMENT OF FINANCIAL POSITION

Refer to Resource Booklet 90978R to answer this question.

Prepare the Statement of Financial Position with accompanying note for *Mount Dairy* as at 31 March 2015.

Note: Do NOT use abbreviations.

Mount Dairy **Statement of Financial Position as at 31 March 2015**			
	$	**$**	**$**

	$	$	$

Note to the Statement of Financial Position

1. Property, plant and equipment

	Land and buildings	Office equipment	Shop fittings	Total
	$	$	$	$

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

Office equipment:

Shop fittings:

QUESTION THREE: CASH BUDGET

From the information provided below, prepare the cash budget for *Mount Dairy* for the month ended 31 July 2015. Circle the word **surplus** or **deficit** on the table to match the result.

Note: Assume that four weeks equals one month.

Estimated information for July 2015
- Cash sales $9 500.
- *Mount Dairy* will buy some more shares in *Wholesale Foods Ltd* by Internet transfer $1 000.
- Wages of $1 400 per fortnight will be paid by automatic payment.
- Kahu will invest $3 000 cash and a $500 printer into the business.
- Dividends of $60 will be received.
- Kahu will take cash drawings of $800 per week.
- Electricity is paid by direct debit every month, $300.
- Kahu will take home three magazines that cost $25 in total for his children.
- Interest on mortgage will be paid by automatic payment, $180 every fortnight.
- *Mount Dairy* will return goods that were damaged and receive a credit note for $170.
- GST payment to the IRD will be made, $1 800.
- Cleaning will be paid in cash, $30 per week.
- New shelving for the shop costing $7 000 to be purchased, 50% deposit to be paid and the rest on credit.
- Bank balance at 1 July 2015, $21 200.

Mount Dairy **Cash Budget for the month ended 31 July 2015**		
	$	**$**
Estimated cash receipts		
Total estimated cash receipts		
Estimated cash payments		
Total estimated cash payments		
Surplus / deficit of cash		
Opening bank balance		
Closing bank balance		

Extra space if required.
Write the question number(s) if applicable.

QUESTION
NUMBER

90978