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SUPERVISOR'S USE ONLY

91406



Level 3 Accounting, 2017

91406 Demonstrate understanding of company financial statement preparation

2.00 p.m. Friday 10 November 2017 Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of company financial statement preparation.	Demonstrate in-depth understanding of company financial statement preparation.	Demonstrate comprehensive understanding of company financial statement preparation.

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

Pull out Resource Booklet 91406R from the centre of this booklet.

You should attempt ALL the questions in 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 2–10 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

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Zambezi Books Limited (ZBL) is a business that sells books online. On 1 April 2016, ZBL had Contributed Equity of \$500 000 comprising 250 000 shares.

(a) (i) On 31 July 2016, one of the current shareholders asked the directors to repurchase her 20 000 shares in *ZBL*. The directors have agreed to do this at the current market value of \$3 per share. Prepare the General Journal entry to record this transaction:

Zambezi Books Limited General Journal

To record the share repurchase of 20 000 shares		

(ii) The directors approved an interim dividend of 15 cents per share to be paid on 30 September 2016. Prepare the Interim Dividend ledger account for the year ended 31 March 2017.

Zambezi Books Limited General Ledger: Interim dividend 2017

On 1 November 2016, 50 000 shares were issued through a sharebroker at a fair value of \$3.50 each. On 30 November 2016, *ZBL* received payment for the 50 000 shares less a 2% brokerage fee.

(iii) Use relevant information from above to complete the Contributed Equity Note to the Statement of Financial Position for the year ended 31 March 2017.

Zambezi Books Limited Note to the Financial Statements for the year ended 31 March 2017

Contributed equity	Number of shares	NZ\$

ZBL has 10 000 shares in *Kingfish Limited* which were purchased for \$1.32 a share. On 31 March 2017, the shares have a current market value of \$1.45 each.

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(b) Complete the General Journal entry for the revaluation of the shares in *Kingfish Limited* at 31 March 2017.

Zambezi Books Limited General Journal

	To record revaluation of Kingfish Limited shares to market value		

(c) Review the General Ledger account below to explain each of the transactions entered on 31 March 2017. Justify the effect of the transactions on the closing balance of *ZBL*'s taxation payable General Ledger account.

Zambezi Books Limited General Ledger: Taxation payable

	General Ledger. Taxatio	ni payabic			
31/3/17	Taxation expense/Income Summary		150 000	150 000	Cr
	Provisional tax paid	145 000		5000	Cr

QUESTION TWO: STATEMENT OF CASH FLOWS

Refer to **Resource A** in Resource Booklet 91406R to answer this question.

(a) On the next page, complete *Titanium Braun Limited*'s Statement of Cash Flows for the year ended 31 March 2017.

Show working in the space below. This may be used for marking purposes.

WORKING	

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Titanium Braun Limited Statement of Cash Flows for the year ended 31 March 2017

ASSESSOR'S USE ONLY

NZ\$000	NZ\$000	NZ\$000

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QUESTION THREE

ASSESSOR'S USE ONLY

Refer to **Resource B** in Resource Booklet 91406R to answer this question.

(a) Complete the Statement of Comprehensive Income for *Riggs and Murtaugh Limited* for the year ended 31 March 2017.

Note: You are NOT required to produce any supporting Notes to the Statement of Comprehensive Income.

Riggs and Murtaugh Limited Statement of Comprehensive Income for the year ended 31 March 2017

NZ\$	NZ\$
_,	

(b) Complete the Current Liabilities section of the Statement of Financial Position for *Riggs and Murtaugh Limited* for the year ended 31 March 2017.

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Riggs and Murtaugh Limited Statement of Financial Position (extract) as at 31 March 2017

(c)

Curre	ant liabilities		
	ent liabilities		
arke nand clud l	y, using dollar amounts, the reporting of the revaluate value of \$750000 in the Property, plant and equical Position of <i>Riggs and Murtaugh Limited</i> (<i>RM</i>) e in your answer explanations of: how the buildings are revalued to their current methow the revaluation is reported in the Property, postatement of Financial Position of <i>Riggs and Mu</i> ended 31 March 2017.	uipment note a L) for the year arket value of lant and equip	and the Statement of ended 31 March 2017. \$750 000 ment note and the

	Extra space if required.	
	Write the question number(s) if applicable.	
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QUESTION NUMBER	1	Write the	Extra space question n	e if required number(s) if		ASSESSOR'S USE ONLY
NUMBER						
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