

90980



Draw a cross through the box (X) if you have NOT written in this booklet

+



**Mana Tohu Mātauranga o Aotearoa**  
New Zealand Qualifications Authority

## Level 1 Accounting 2023

### 90980 Interpret accounting information for sole proprietors

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Interpret accounting information for sole proprietors.	Soundly interpret accounting information for sole proprietors.	Comprehensively interpret accounting information 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 90980R 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.

Do not write in any cross-hatched area ( ). This area will be cut off when the booklet is marked.

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

Refer to **Resources A, B, and C** in **Resource Booklet 90980R** to answer this question.

- (b) Shannon is interested in the impact the change in inventory being sold has had on the profitability of *Sporting Specialists*.

Your report should include:

- what the 2022 percentage change in sales of 8.4% means for *Sporting Specialists*
- one reason for the trend in mark up percentage from 2022 to 2023 for *Sporting Specialists*
- a justified recommendation to improve the gross profit percentage for *Sporting Specialists*.



Refer to **Resources A, B, and C** in **Resource Booklet 90980R** to answer this question.

- (b) Describe the meaning of the 2022 finance cost percentage of 0.9% for *Sporting Specialists*.

Analysis measure	2022	2023
Distribution cost %	22.8%	%
Finance cost %	0.9%	%
Profit for the year %	8.2%	%

- (c) Fully explain one reason for the trend in distribution cost percentage from 2022 to 2023 for *Sporting Specialists*.



Refer to **Resources A, B, C, and D** in **Resource Booklet 90980R** to answer this question.

- (b) Explain the meaning of the equity ratio of 0.46:1 in 2022 for *Sporting Specialists*.

Analysis measure	2022	2023
Current ratio	8.02:1	
Liquid ratio	0.96:1	0.56:1
Equity ratio	0.46:1	

- (c) Fully explain one reason for the trend in the current ratio from 2022 to 2023 for *Sporting Specialists*.



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

QUESTION  
NUMBER

90980