

93203R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Scholarship 2011 Accounting

9.30 am Wednesday 23 November 2011

RESOURCE BOOKLET

Refer to this booklet to answer Question Six for Scholarship Accounting 93203.

Check that this booklet has pages 2–5 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE ONE

New business – Charlie & Me

During the year, we announced the launch of *Charlie & Me*, our new stand-alone brand targeting the everyday wear segment of the market, ...

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... While the retail environment remains challenging in Ireland, the soft leasing conditions create an opportunity for us to enter the market with relatively low risk.

Source (adapted): Pumpkin Patch 2010 Annual Report, pp 17–18.

RESOURCE TWO

The American dream that never was

In business, timing is everything ...

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... *Pumpkin Patch* faced a high dollar for most of 2006/2007 and earnings in New Zealand dollar terms began to slide.

Resource Two – continued

And while sales in the US and the UK markets grew through new store openings, capital expenditure was still on the increase ...

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... but also because higher manufacturing costs are starting to creep into traditional low-cost labour hubs such as China and India.

Source: *The National Business Review* 2009, 3 July 2009.

RESOURCE THREE**Not all rosy in the *Pumpkin Patch***

Pumpkin Patch has found out the hard way that when the sharemarket falls out of love with you it is as unpleasant as a tumultuous divorce ...

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... more capital would not be good, unless it heavily discounted the price. And cancelling the dividends at this stage would send a negative signal to an already jumpy market.

Source: David Hargreaves, www.stuff.co.nz, 26 June 2008.

RESOURCE FOUR**Muir quits *Pumpkin Patch* board**

Controversial company director Greg Muir's decision to quit the board of *Pumpkin Patch* was welcomed by fund managers last night ...

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... after the [Securities] Commission said yesterday afternoon that it would decide before Christmas whether to lay charges against directors of *Hanover Finance*, *United Finance* and *Hanover Capital*.

Source: Tim Hunter, www.stuff.co.nz, 20 November 2010.

