

90026



NEW ZEALAND QUALIFICATIONS AUTHORITY
 MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

Level 1 Accounting, 2007

90026 Prepare financial statements for sole proprietors

Credits: Four

2.00 pm Tuesday 27 November 2007

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 the RESOURCE BOOKLET 90026R to answer Questions One to Four.

You should answer ALL the questions in this booklet.

Show ALL working.

If you need more space for any answer, use the page(s) provided at the back of this booklet and clearly number the question.

Check that this booklet has pages 2–6 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.

<i>For Assessor's use only</i>		Achievement Criteria	
Achievement	<input type="checkbox"/>	Achievement with Merit	Achievement with Excellence
Prepare financial statements following good accounting practice.	<input type="checkbox"/>	Prepare financial statements, following good accounting practice, with the majority of the additional information correctly treated.	<input type="checkbox"/>
			Prepare financial statements, following good accounting practice, with all or nearly all additional information correctly treated.
		Overall Level of Performance	<input type="checkbox"/>

You are advised to spend 40 minutes answering the questions in this booklet.

QUESTION ONE: STATEMENT OF ACCOUNTING POLICIES

Refer to the Resource Booklet 90026R to answer this question.

A Statement of Accounting Policies is prepared as part of the financial statements of *The Interior Decorators*.

Complete the following policies for *The Interior Decorators*.

- (a) These financial statements are prepared for _____

- (b) The measurement system adopted is _____
- (c) Property, plant and equipment are stated _____

- (d) Property, plant and equipment are depreciated _____

QUESTION THREE: BALANCE SHEETAssessor's
use only

Refer to the Resource Booklet 90026R to answer this question.

Use the information in Resource One to complete the Current Assets and Non-current Assets sections of the Balance Sheet for *The Interior Decorators*, including the Note for the Property, Plant and Equipment as at 31 March 2007.

- Use relevant information from the trial balance **and** additional information.
- **Do not use abbreviations.**

<i>The Interior Decorators</i> Balance Sheet (extract) as at 31 March 2007		
	\$	\$
Current Assets		
Non-current Assets		

Note to Balance Sheet
Property, Plant and Equipment

	Decorating Equipment	Decorating Van	Total \$
Cost			
Accumulated Depreciation			
Carrying Amount			

QUESTION FOUR: CASH FLOW STATEMENTAssessor's
use only

Refer to the Resource Booklet 90026R to answer this question.

Use the information in Resource Two to prepare the **Cash Flow Statement** for *The Interior Decorators* from 15 April to 30 April 2007.

<i>The Interior Decorators</i> Cash Flow Statement for 15 April to 30 April 2007		
	\$	\$
Receipts		
Total Receipts		
Less Payments		
Total Payments		
Net increase / decrease in cash		
Add Bank Balance at 15 April 2007		
Equals Bank Balance at end		

