

90028R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2008

90028 Analyse and interpret information for a sole proprietor(s)

Credits: Four

2.00 pm Thursday 27 November 2008

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90028.

Check that this booklet has pages 2–3 in the correct order and that none of these pages is blank.

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

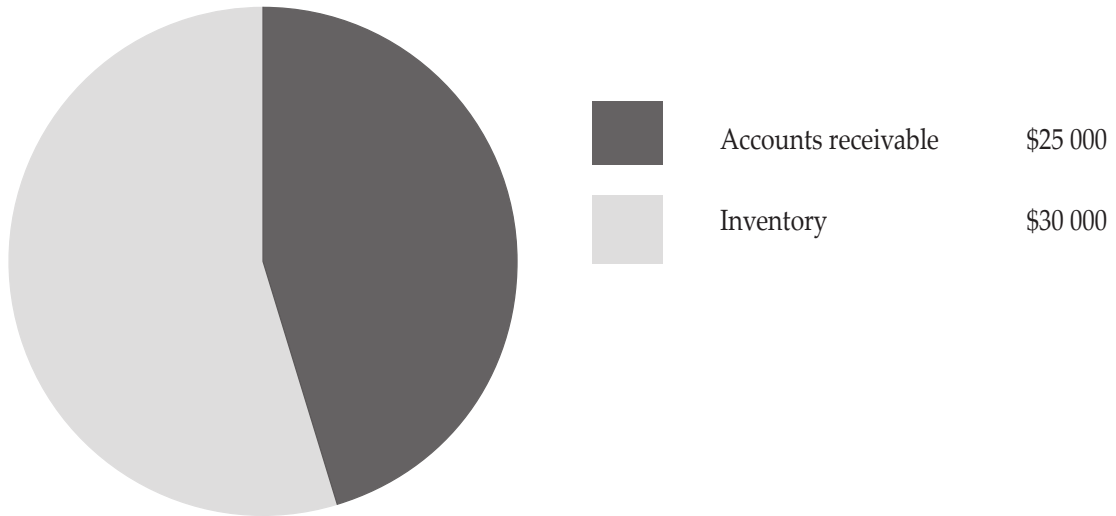
RESOURCE ONE

Formulae: Analysis ratios

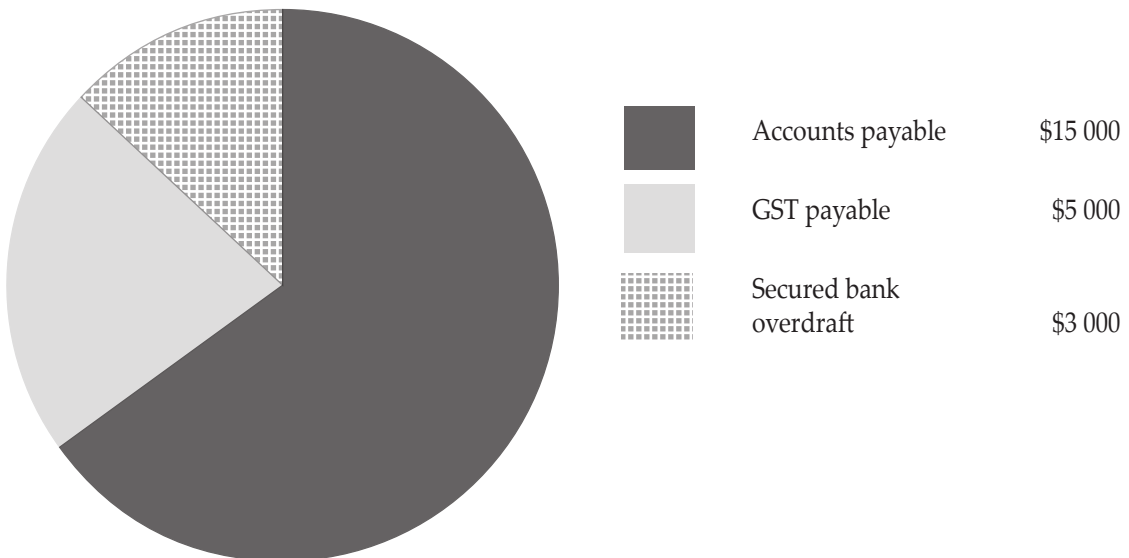
Mark-up %	$\frac{\text{Gross profit}}{\text{Cost of goods sold}} \times \frac{100}{1}$
Net profit %	$\frac{\text{Profit for the year}}{\text{Sales}} \times \frac{100}{1}$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Liquid ratio	$\frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities} - \text{Secured bank overdraft}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
Gross profit %	$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$
Distribution cost %	$\frac{\text{Distribution cost}}{\text{Sales}} \times \frac{100}{1}$
Administrative expense %	$\frac{\text{Administrative expense}}{\text{Sales}} \times \frac{100}{1}$
Finance cost %	$\frac{\text{Finance cost}}{\text{Sales}} \times \frac{100}{1}$
Return on average equity %	$\frac{\text{Profit for the year}}{\text{Average equity}} \times \frac{100}{1}$
Percentage change in sales	$\frac{\text{Year 2} - \text{Year 1}}{\text{Year 1}} \times \frac{100}{1}$

RESOURCE TWO

Tamati's Toys Current Assets for year ended March 31 2008



Tamati's Toys Current Liabilities for year ended March 31 2008



Additional information

- Non-current assets 2008 \$130 000
- Non-current liabilities 2008 \$105 000
- Equity 2008 \$80 000