

90026



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

*For Supervisor's use only*

## Level 1 Accounting, 2008

### 90026 Prepare financial statements for sole proprietors

Credits: Four

2.00 pm Thursday 27 November 2008

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 from the centre of this booklet.

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 2–7 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>		<b>Achievement Criteria</b>	
<b>Achievement</b>	<input type="checkbox"/>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
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.
			<input type="checkbox"/>
<b>Overall Level of Performance</b>			<input type="checkbox"/>

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

Tracy owns *Teen Scene*, a sole proprietor retail business that specialises in teenage fashion.

### QUESTION ONE: INCOME STATEMENT

Refer to Resource One in Resource Booklet 90026R to answer this question.

Prepare the Trading Statement section of *Teen Scene's* Income Statement using relevant information from the Trial Balance and additional information.

Do NOT use abbreviations.

<b><i>Teen Scene</i></b>			
<b>Income Statement (extract) for the year ended 31 March 2008</b>			
	\$	\$	\$
<b>Revenue</b>			
<b>Less cost of goods sold</b>			
<b>Gross profit</b>			



Note to the Balance Sheet

**1. Property, Plant and Equipment**

Assessor's  
use only

	Building	Land	Shop fittings	Total
	\$	\$	\$	\$

**QUESTION THREE: STATEMENT OF ACCOUNTING POLICIES**

Refer to Resource One in Resource Booklet 90026R to answer this question.

A Statement of Accounting Policies is prepared as part of the Financial Statements for *Teen Scene*. Complete the following policies for *Teen Scene*.

***Teen Scene***  
**Statement of Accounting Policies (extract)**

(a) Name and Nature:

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(b) Measurement Base:

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(c) Property, Plant and Equipment:

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**QUESTION FOUR: CASH FLOW STATEMENT**Assessor's  
use only

Refer to Resource Two in Resource Booklet 90026R to answer this question.

Prepare a **Cash Flow Statement** for *Teen Scene* for the month of May 2008 using the information in Resource Two.

<i>Teen Scene</i>		
<b>Cash Flow Statement for the month ended 31 May 2008</b>		
	\$	\$
<b>Receipts</b>		
Total receipts		
<b>Less payments</b>		
Total payments		
Net increase/decrease in cash		
Opening bank balance		
Closing bank balance		

