

90026R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2008

90026 Prepare financial statements for sole proprietors

Credits: Four

2.00 pm Thursday 27 November 2008

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90026.

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

Teen Scene's accounting records, as at 31 March 2008, showed:

<i>Teen Scene</i>			
Trial Balance (extract) as at 31 March 2008			
	\$		\$
Advertising	7 800	Accumulated depreciation	
Bank	4 200	– Building	28 000
Building (cost)	140 000	Accumulated depreciation	
Drawings	8 000	– Shop fittings	18 000
Freight inwards	6 200	Capital	220 000
Interest on mortgage	5 775	GST	9 000
Inventory (1 April 2007)	51 000	Mortgage (9.0% due 2015)	70 000
Land	160 000	Sales	239 375
Purchases	125 000		
Rates	19 500		
Sales returns	3 000		
Shares in Telco	15 000		
Shop fittings	45 000		

Inventory on hand at 31 March 2008: \$43 000.

Additional information as at Balance Sheet date:

- Rates are \$1 500 a month; one month's rates have been paid in advance.
- An invoice dated 31 March 2008 was received for purchases of \$900, including GST, but was unpaid on balance sheet date.
- Interest of \$525 on the mortgage is still owing as at 31 March 2008.
- Depreciation is charged on the building at 5% per annum and on shop fittings at 10% per annum. All assets are depreciated using the straight-line method of depreciation.

RESOURCE TWO

The following information relates to *Teen Scene* for the month of May 2008.

Totals for month ended 31 May 2008	
	\$
Cash sales	14 000
Invoices on hand for sales	5 200
Cash purchases	8 000
Invoices on hand for purchases	2 500
Drawings of cash	700
Drawings of inventory	300
Dividends received	1 200
Sales salaries paid	7 500
Other expenses paid	4 000
Interest on mortgage paid	370

The opening bank balance on 1 May 2008 was \$4 700 in funds.