

90028



900280



NEW ZEALAND QUALIFICATIONS AUTHORITY
 MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

Level 1 Accounting, 2009

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

Credits: Four

2.00 pm Thursday 19 November 2009

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 Resource Booklet 90028R from the centre of this booklet.

Answer ALL the questions in this booklet.

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 2–8 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
Analyse and interpret information for a sole proprietor(s).	<input type="checkbox"/>	Analyse and interpret a range of information for a sole proprietor(s).	<input type="checkbox"/>
		Analyse and fully interpret a wide range of information for a sole proprietor(s).	<input type="checkbox"/>
Overall Level of Performance		<input type="checkbox"/>	

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

Peter owns and manages *Sushi Heaven*, a small sushi bar. All of the questions that follow refer to this business.

QUESTION ONE

Refer to all the resources in Resource Booklet 90028R to complete the following analysis measures.

Note: Round your answers to one decimal place if appropriate.

- (a) (i) Calculate the **gross profit percentage** for 2009. Show your working.

Analysis Measure	2008	2009
Gross profit %	60%	_____ %

- (ii) Fully explain ONE way that the business could **increase** the **gross profit percentage**.

- (b) (i) Calculate the **mark-up percentage** for 2009. Show your working.

Analysis Measure	2008	2009
Mark-up %	150%	_____ %

- (ii) Fully explain ONE possible reason for a **decrease** in **mark-up percentage**.

Refer to the Income Statement summary in Resource Two and the formulae in Resource One to complete the following analysis measures.

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Note: Round your answers to one decimal place if appropriate.

- (c) (i) Complete the table below by calculating the following percentages for 2009. Show your working.

Analysis Measure	2008	2009
Distribution cost %	12%	_____ %
Administration expense %	7%	_____ %
Finance cost %	15%	17.5%
Net profit %	26%	_____ %

- (ii) Explain the meaning of the 2009 **finance cost percentage**.

- (iii) Fully explain ONE possible reason for the **trend** in the **distribution cost percentage**.

- (iv) Explain ONE way to **improve** the **finance cost percentage** for the business.

- (v) Fully explain ONE way that the business could **increase the net profit percentage**.

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- (d) (i) Calculate the **return on average owner's equity** for *Sushi Heaven* for 2009.

Note: Show your working.

Analysis Measure	2008	2009
Return on equity %	24%	_____ %

- (ii) Fully explain the meaning of the **return on equity** of 24% in 2008.

QUESTION TWO

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- (a) (i) Calculate the **liquid ratio** for *Sushi Heaven* for 2009.

Notes:

- Show your working.
- Round your answers to two decimal places.

Analysis Measure	2008	2009
Current ratio	1.22:1	0.80:1
Liquid ratio	1.40:1	_____ :1

- (ii) Fully explain ONE cause of a **decrease** in the **current ratio**.

- (iii) Explain what the **liquid ratio** for 2008 of 1.40:1 means for the business.

- (iv) Fully explain ONE way that the business could **increase** the **liquid ratio**.

- (b) (i) Calculate the **equity ratio** for *Sushi Heaven* for 2009.

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Notes:

- Show your working.
- Round your answers to two decimal places.

Analysis Measure	2008	2009
Equity ratio	0.56:1	_____ :1

- (ii) Fully explain ONE cause of a **decrease** in the **equity ratio**.

- (iii) Fully explain ONE action Peter could take to ensure that the business's **equity ratio** does not **continue to decrease**.
