

90028R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2009

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

Credits: Four

2.00 pm Thursday 19 November 2009

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

Analysis Ratios Formulae

Mark-up %	$\frac{\text{Gross profit}}{\text{Cost of goods sold}} \times \frac{100}{1}$
Gross profit %	$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$
Distribution cost %	$\frac{\text{Distribution cost}}{\text{Sales}} \times \frac{100}{1}$
Administration expense %	$\frac{\text{Administration expense}}{\text{Sales}} \times \frac{100}{1}$
Finance cost %	$\frac{\text{Finance cost}}{\text{Sales}} \times \frac{100}{1}$
Net profit %	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
Return on equity %	$\frac{\text{Net profit}}{\text{Average equity}} \times \frac{100}{1}$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Liquid ratio	$\frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities} - \text{secured overdraft}}$
Equity ratio	$\frac{\text{Owner's equity}}{\text{Total assets}}$
Percentage change	$\frac{\text{Year 2} - \text{Year 1}}{\text{Year 1}} \times \frac{100}{1}$

RESOURCE TWO

Sushi Heaven Income Statement Summary

	Year ended 31 March 2008 \$	Year ended 31 March 2009 \$
Administration expenses	7 000	6 000
Distribution cost	12 000	8 000
Finance cost	15 000	14 000
Gross profit	60 000	40 000
Net profit	26 000	12 000
Sales	100 000	80 000

RESOURCE THREE

Sushi Heaven Balance Sheet Summary

	as at 31 March 2008 \$	as at 31 March 2009 \$
Current assets		
Accounts receivable	24 000	26 000
GST receivable	4 000	4 000
Inventory	<u>28 000</u>	<u>30 000</u>
	56 000	60 000
Add non-current assets		
Property, plant and equipment (carrying amount)	<u>88 000</u>	<u>105 000</u>
Total assets	144 000	165 000
Less current liabilities		
Accounts payable	20 000	40 000
Bank overdraft (secured)	<u>26 000</u>	<u>35 000</u>
	46 000	75 000
Non-current liabilities		
Loan (due 2015)	<u>18 000</u>	<u>20 000</u>
Total liabilities	<u>64 000</u>	<u>95 000</u>
Net assets	80 000	70 000
Equity		
Closing capital	80 000	70 000