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90026



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

Level 1 Accounting, 2010

90026 Prepare financial statements for sole proprietors

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial statements following good accounting practice.	Prepare financial statements, following good accounting practice, with the majority of the additional information correctly treated.	Prepare financial statements, following good accounting practice, with all or nearly all additional information correctly treated.

Credits: Four

2.00 pm Tuesday 16 November 2010

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 90026R from the centre of this booklet.

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.

TOTAL

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

Assessor's
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QUESTION ONE: INCOME STATEMENT

Refer to Resource Booklet 90026R.

Prepare *Janine's Jewellery's* Income Statement for the year ended 30 June 2010.

Note: Do NOT use abbreviations.

<i>Janine's Jewellery</i> Income Statement for the year ended 30 June 2010			
	\$	\$	\$
Revenue			
Less cost of goods sold			
Cost of goods sold			
Gross profit			
Add other income			
Less expenses			
Distribution costs			
Administrative expenses			
Profit (loss) for the year			

QUESTION TWO: STATEMENT OF FINANCIAL POSITIONAssessor's
use only

A Statement of Financial Position is the same as a Balance Sheet. Statement of Financial Position has been used in this assessment.

Refer to Resource Booklet 90026R.

Prepare the Non-current assets section of *Janine's Jewellery's* Statement of Financial Position with accompanying Note as at 30 June 2010.

Notes:

- Do NOT use abbreviations.
- You should complete the sentences under the Property, Plant and Equipment table as these form part of the Note to the Statement of Financial Position.

<i>Janine's Jewellery</i>			
Statement of Financial Position (extract) as at 30 June 2010			
	\$	\$	\$
Non-current assets			
Investment assets			
Property, plant and equipment (Note 1)			

Note to the Statement of Financial Position**1. Property, Plant and Equipment**

	Shop Fittings	Office Equipment	Total
	\$	\$	\$

Depreciation is calculated on a straight line basis at the following rates:

Shop fittings: _____ .

_____ is based on a residual value of \$500 and a useful life of 5 years.

QUESTION THREE: CASH FLOW STATEMENT

Use the following information to complete *Janine's Jewellery's* Cash Flow Statement on page 5 for the month of August 2010.

Note: For payment purposes, assume that four weeks equals one month.

Janine's Jewellery had a bank balance of \$2 800 on 1 August 2010.

Janine's Jewellery
Weekly till receipts for the sale of jewellery

Week ending Friday 6 August	Week ending Friday 13 August	Week ending Friday 20 August	Week ending Friday 27 August	Week ending Tuesday 31 August
Cash \$850	Cash \$600	Cash \$600	Cash \$620	Cash \$400
EFTPOS \$1 100	EFTPOS \$1 260	EFTPOS \$2 100	EFTPOS \$1 580	EFTPOS \$820

**Information from *Janine's Jewellery* Bank Statement
for the month of August 2010**

Automatic Payments:

- Insurance \$100 per month
- Rent \$800 per fortnight
- Internet \$50 per month
- Wages \$500 per week
- Salary \$400 per month

Interest received for August \$25

Other transactions during August:

- Payments to accounts payable \$800
- Invoices received for jewellery purchased on credit \$2 000
- Jewellery stolen/damaged \$200
- Cheque written out for petty cash top up \$20
- Drawings of cash \$800
- Paid telephone bill \$120
- Received an invoice for new shelving \$200
- Paid a 15% deposit on a new computer that cost \$1 800
- Owner took home jewellery \$250

Janine's Jewellery
Cash Flow Statement
for the month ended 31 August 2010

Assessor's
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	\$	\$
Receipts		
Total receipts		
Payments		
Total payments		
Net increase/(decrease) in cash		
Opening bank balance		
Closing bank balance		

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