

90028R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Accounting, 2010

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

Credits: Four

2.00 pm Tuesday 16 November 2010

RESOURCE SHEET

Refer to this sheet to answer the questions for Accounting 90028.

Check that page 2 contains printed material.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

Analysis Ratios – Formulae Sheet

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 %	$\frac{\text{Distribution costs}}{\text{Sales}} \times \frac{100}{1}$
Administrative expense %	$\frac{\text{Administrative expenses}}{\text{Sales}} \times \frac{100}{1}$
Finance cost %	$\frac{\text{Finance costs}}{\text{Sales}} \times \frac{100}{1}$
Net profit %	$\frac{\text{Profit for the year}}{\text{Sales}} \times \frac{100}{1}$
Return on equity %	$\frac{\text{Profit for the year}}{\text{Average equity}} \times \frac{100}{1}$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Liquid ratio	$\frac{\text{Current assets} - (\text{inventory} + \text{prepayments})}{\text{Current liabilities} - \text{secured overdraft}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
% change	$\frac{\text{Year 2} - \text{Year 1}}{\text{Year 1}} \times \frac{100}{1}$