

90503



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

Level 3 Accounting, 2008

90503 Prepare financial statements for partnerships and companies

Credits: Six

2.00 pm Thursday 27 November 2008

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 90503R from the centre of this booklet to answer all THREE questions.

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 2–12 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
Prepare financial statements following generally accepted accounting practice with some additional information correctly treated.	<input type="checkbox"/>	Prepare financial statements following generally accepted accounting practice with the majority of additional information correctly treated.	<input type="checkbox"/>
			<input type="checkbox"/>
Overall Level of Performance			<input type="checkbox"/>

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You are advised to spend 60 minutes answering the questions in this booklet.

QUESTION ONE: PARTNERSHIP ACCOUNTING

Refer to Resource One in Resource Booklet 90503R to answer this question.

PART A

Complete an Accounting Policy Statement for Goods and Services Tax in the Statement of Accounting Policies.

Shake the Vine Tours
Statement of Accounting Policies (extract)
Goods and Services Tax

PART B

Refer to the trial balance and the additional information for *Shake the Vine Tours* in Resource One. Complete the Income Statement (extract) below, after adjusting for the relevant information.

Shake the Vine Tours
Income Statement (extract)
for the year ended 31 March 2008

	\$NZ	\$NZ
Administrative expenses		

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Refer to the trial balance and the additional information for *Shake the Vine Tours* in Resource One.

- (a) Complete the Balance Sheet (extract) below, after adjusting for the relevant information.

Shake the Vine Tours
Balance Sheet (extract)
as at 31 March 2008

	Note	\$NZ	\$NZ
Current assets			

- (b) Complete both the note for Accounts Receivable and the extract from the Property, Plant and Equipment note shown below, using the information provided.
Complete the **boxes with bold outlines** with appropriate terms or figures.
Do not write in the shaded boxes.

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Shake the Vine Tours

Notes to the Financial Statements (extract)

Note 1. Accounts Receivable

	\$NZ

Shake the Vine Tours

Notes to the Financial Statements (extract)

Note 2. Property, Plant and Equipment (extract)

	Office furniture	Shop fittings
	\$NZ	\$NZ
For the year ended 31 March 2008		
Opening carrying amount		
Additions		
Disposals		
Closing carrying amount		
As at 31 March 2008		
Cost		
Closing carrying amount		

QUESTION TWO: STATEMENT OF CASH FLOWSAssessor's
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Refer to Resource Two in Resource Booklet 90503R to answer this question.

Complete the Statement of Cash Flows extract on page 7, showing cash flows from operating activities and cash flows from investment activities, for *Jeanz for Scenz Ltd*.

Do not use abbreviations.

Show your working in the working box provided below.

Jeanz for Scenz Ltd
Statement of Cash Flows (extract)
for the year ended 31 March 2008

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	\$NZ 000	\$NZ 000
Cash flows from operating activities		
<i>Cash was provided from</i>		
<i>Cash was applied to</i>		
Net cash inflow/outflow from operating activities		
Cash flows from investing activities		
<i>Cash was provided from</i>		
<i>Cash was applied to</i>		
Net cash inflow/outflow from investing activities		

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QUESTION THREE: REPORTING FOR COMPANIES

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Refer to Resource Three in Resource Booklet 90503R to answer this question.

- (a) Complete the Statement of Changes in Equity, using the table below.
All boxes with **bold** outlines must be completed, with appropriate terms or figures.
Do not write in the shaded boxes.
Do not use abbreviations.

		Fair value surplus		Retained earnings
	\$NZ 000	\$NZ 000	\$NZ 000	\$NZ 000
Balance at 1 April 2007				
Changes in equity for 2008				
Gain on revaluation of available-for-sale investments				
Net income recognised directly in equity				
Profit for the year				
Proceeds from share issue				
Balance at 31 March 2008				

- (b) Complete the Distributions note shown below by completing the boxes with **bold** outlines with appropriate terms or figures.

Do not write in the shaded boxes.

Good Sounds Ltd

Notes to the Financial Statements (extract)

Distributions

	Cents per share	\$NZ 000
Final dividend 2007	15 cents	
Interim dividend 2008	10 cents	
Total dividends paid		
Total distributions		

Study the information below relating to *Good Sounds Ltd* to answer the questions that follow.

Good Sounds Ltd
Trial Balance (extract)
as at 31 March 2008

	\$NZ 000		\$NZ 000
Shares in <i>Electrical Goods Ltd</i>	25	Dividends received	7
Shares in <i>Appliances Galore Ltd</i>	11		

Additional information:

- The shares in *Electrical Goods Ltd* and *Appliances Galore Ltd* are designated by management as investments held for trading.
- During the year ended 31 March 2008 *Good Sounds Ltd* sold some shares in *Electrical Goods Ltd* for their fair value of \$15 000.
- During the year ended 31 March 2008 *Good Sounds Ltd* purchased shares in *Appliances Galore Ltd*, costing \$3 000.
- On 31 March 2008 the shares in *Electrical Goods Ltd* and *Appliances Galore Ltd* are to be revalued to their market value, which is deemed to be their fair value. These are \$29 000 and \$13 000, respectively.

- (c) (i) Complete the Note to the Income Statement (extract) for the year ended 31 March 2008.
Complete the **boxes with bold outlines** with appropriate terms or figures.
Do not write in the shaded boxes.

Good Sounds Ltd
Notes to the Income Statement (extract)

Other income	\$NZ000

- (ii) Complete the Balance Sheet (extract) and relevant note for the year ended 31 March 2008.
Complete the **boxes with bold outlines** with appropriate figures.
Do not write in the shaded boxes.

Good Sounds Ltd
Balance Sheet (extract)
as at 31 March 2008

Current assets	Note	\$NZ000
Investments held for trading	2	42

Good Sounds Ltd
Notes to the Balance Sheet (extract)

2. Investments held for trading	\$NZ000
Balance at beginning of the year	
Additions	
Disposals	
Revaluation surplus recognised in income	
Balance at the end of the year	

