

90503



905030



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

For Supervisor's use only

## Level 3 Accounting, 2010

### 90503 Prepare financial statements for partnerships and companies

Credits: Six

9.30 am Thursday 25 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 90503R 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 2–11 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>		<b>Achievement Criteria</b>	
<b>Achievement</b>	<input type="checkbox"/>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
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"/>
			Prepare financial statements following generally accepted accounting practice with all or nearly all additional information correctly treated.
		<b>Overall Level of Performance</b>	<input type="checkbox"/>

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

Assessor's  
use only

**QUESTION ONE**

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

**PART A**

Complete *LW Landscaping's* Profit Distribution Statement below using the relevant information from **Resource One**. The profit for the period and the interest on current account for each partner has been entered for you.

**Note:** Do not use abbreviations.

***LW Landscaping***  
**Profit Distribution Statement for the year ended 31 March 2010**

	\$NZ	\$NZ
Profit for period		188 750
Less interest on current account		
Sione	2 500	
Mark	2 000	4 500
		184 250

**Part B**Assessor's  
use only

- (a) Complete *LW Landscaping's* Current Liabilities section of the Balance Sheet (extract) as at 31 March 2010 using the relevant information from **Resource One**.

***LW Landscaping***  
**Balance Sheet (extract) as at 31 March 2010**

	\$NZ	\$NZ
<b>Current liabilities</b>		

- (b) Complete the property, plant and equipment note for vehicles as at 31 March 2010 using the relevant information from **Resource One**.

**Notes:**

- All boxes with bold outlines must be completed, with appropriate terms or figures.
- Do not write in the shaded boxes.
- Do not use abbreviations.

**Property, Plant and Equipment Note (extract)**

	Vehicles
	\$NZ
<b>For the year ended 31 March 2010</b>	
Opening carrying amount	
Depreciation	
Revaluation	0
Disposals	0
Closing carrying amount	
<b>As at 31 March 2010</b>	
Cost or valuation	

**QUESTION TWO**

Refer to Resource Two in the Resource Booklet to answer this question.

**Part A**

*Appliance World Ltd* prepares its statement of comprehensive income by **function**.

- (a) (i) Select the relevant information from the Trial Balance (extract) and accompanying notes in **Resource Two** to complete the table below.

Totals for general distribution and administrative expenses have been entered for you.

- (ii) Total each column.

<b>Expense Classification workings</b>		
<b>Expense items</b>	<b>Distribution</b>	<b>Administrative</b>
	<b>\$NZ</b>	<b>\$NZ</b>
General expenses	135 000	150 000
Advertising		
Depreciation		
Bad debts		
Doubtful debts		
Electricity		
<b>Total</b>		

- (b) On page 5, complete the Statement of Comprehensive Income for *Appliance World Ltd* and the Other Income note, using the relevant information from the Trial Balance (extract), accompanying notes in **Resource Two** and your answer to (a) above.

**Notes:**

- All boxes with bold outlines must be completed, with appropriate terms or figures.
- Do not write in the shaded boxes.
- Do not use abbreviations.
- Notes 1, 3, 4, and 5 are not required.
- Additional information for revenue, cost of sales, gross profit, and finance costs have been entered for you.

**Appliance World Ltd**  
**Statement of Comprehensive Income**  
**for the year ended 31 March 2010**

Assessor's  
use only

	Note	\$NZ
Revenue	1	1 200 000
Less cost of sales		600 000
Gross profit		600 000
Add other income	2	
Less		
Distribution costs		
Administrative expenses		
Finance costs	5	10 000
Profit before tax	3, 4	
Income tax expense		
Profit for the year		
Other comprehensive income		
Other comprehensive income for the year		
Total comprehensive income for the year		

Note to the statement of comprehensive income (extract)	\$NZ
2. Other income	
<b>Total</b>	

**Part B**

On the 30 September 2009, *Appliance World Ltd* received a payment from the sharebroker *Good Investments*. *Good Investments* had issued 100 000 shares in *Appliance World Ltd* to the public at a fair value of \$1.50 per share. The issue had been fully subscribed and *Good Investments* charged *Appliance World Ltd* a brokerage fee of 5%.

Complete the Statement of Changes in Equity for *Appliance World Ltd* below using the information above, your answer to (b), and relevant information from the Trial Balance (extract) and accompanying notes in **Resource Two**.

**Notes:**

- All boxes with bold outlines must be completed, with appropriate terms or figures.
- Do not write in the shaded boxes.
- Do not use abbreviations.

***Appliance World Ltd***  
**Statement of Changes in Equity**  
**for the year ended 31 March 2010**

	Contributed equity	[ ]	Land revaluation surplus	Buildings revaluation surplus
	\$NZ	\$NZ	\$NZ	\$NZ
<b>Balance at 31 March 2009</b>				
Changes in equity for 2010				
Total comprehensive income for the year				
Proceeds from share issue				
<b>Balance at 31 March 2010</b>				

Question Three begins on page 8.

**QUESTION THREE**

Refer to **Resource Three** in the Resource Booklet to answer this question.

Complete the Statement of Cash Flows extract on page 9, showing cash flows from operating activities and cash flows from financing activities for *Furniture Warehouse Ltd.*

**Notes:**

- The amount for cash from accounts receivables has been entered for you.
- Do not write in the shaded boxes.
- Show your working in the space below.
- Do **not** use abbreviations.

Working space





**Furniture Warehouse Ltd**  
**Statement of Cash Flows (extract) for the year ended 31 March 2010**

Assessor's  
use only

	\$NZ000	\$NZ000
<b>Cash flows from operating activities</b>		
<i>Cash was provided from</i>		
<b>Cash from accounts receivables</b>		<b>980</b>
<i>Cash was applied to</i>		
<b>Net cash inflow/outflow from operating activities</b>		
<b>Cash flows from financing activities</b>		
<i>Cash was provided from</i>		
<i>Cash was applied to</i>		
<b>Net cash inflow/outflow from financing activities</b>		



