

**Assessment Schedule – 2018****Accounting: Prepare financial statements for sole proprietors (90978)****Evidence****Question ONE**

<b>Workout Works</b>				
<b>Income Statement for the year ended 31 March 2018</b>				
	\$	\$	\$	
<b>Revenue</b>				
Membership fees received			241 840	<b>E</b>
<b>Other income</b>				
Dividends received		300		<b>V</b>
Equipment hire received		7 150	7 450	<b>M</b>
<b>Total income</b>			249 290	
<b>Less expenses</b>				
<b>Gym costs</b>				
Advertising	3 800			<b>V</b>
Fitness instructors' wages	70 000			<b>V</b>
Gym cleaning	26 000			<b>V</b>
Gym rent	64 000			<b>V</b>
Gym supplies used	12 000			<b>V</b>
Other gym expenses	7 300			<b>V</b>
Depreciation on exercise equipment	5 400			<b>M</b>
Depreciation on gym fixtures and fittings	4 992	193 492		<b>E</b>
<b>Administrative expenses</b>				
Office expenses	14 680			<b>M</b>
Office salaries	18 500			<b>V</b>
Stationery	800			<b>V</b>
Telephone and internet	1 600			<b>V</b>
Depreciation on office equipment	550	36 130		<b>E</b>
<b>Finance costs</b>				
Interest on loan	2 980	2 980		<b>M</b>
<b>Total expenses</b>			232 602	
<b>Profit for the year</b>			16 688	<b>V*</b>

- V** Correct stem (no abbreviations) and figure, correctly classified.
  - M** Correct figure, correctly classified and correct stem (award **V** if number incorrect but still correctly classified and correct stem).
  - E** Correctly calculated figure, correctly classified and correct stem (award **V** if number incorrect but still correctly classified and correct stem).
  - F** Foreign item.
  - V\*** Correct stem and correct process.
- (18: 11 V, 4 M, 3 E)**

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
5 <b>VME</b>	7 <b>VME</b>	9 <b>VME</b>	13 <b>VME</b>	14 <b>VME</b> , including 3 <b>M/E</b> Max 1 <b>F</b>	16 <b>VME</b> , including 4 <b>M/E</b> Max 1 <b>F</b>	17 <b>VME</b> , including 6 <b>M/E</b> No <b>F</b>	18 <b>VME</b> , including 7 <b>M/E</b> No <b>F</b>  No detracting errors

## Question TWO

<b>Workout Works</b>				
<b>Statement of Financial Position as at 31 March 2018</b>				
	\$	\$	\$	
<b>Current assets</b>				
Gym supplies on hand		2 800		<b>V</b>
Petty cash		100		<b>V</b>
Prepayment		320		<b>M</b>
Accounts receivable		1 656	4 876	<b>E</b>
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill		12 000		<b>V</b>
<b>Property plant equipment (note 1)</b>				
Total carrying amount		83 158		<b>V(ft)</b>
<b>Investment assets</b>				
Shares in Bodyfix Ltd		8 000	103 158	<b>V</b>
<b>Total assets</b>			108 034	
<b>Less liabilities</b>				
<b>Current liabilities</b>				
Bank overdraft	2 000			<b>V</b>
GST payable	2 653			<b>EE</b>
Accrued expenses	280			<b>M</b>
Income in advance	850			<b>M</b>
Accounts payable	5 543	11 326		<b>E</b>
<b>Non-current liabilities</b>				
Loan (due 2026)		45 000		<b>V</b>
Total liabilities			(56 326)	
<b>Net assets</b>			51 708	<b>V#</b>
<b>Equity</b>				
Opening capital			79 520	<b>V</b>
Profit for the year			16 688	<b>V(ft)</b>
Less Drawings			(44 500)	<b>V</b>
Closing capital			51 708	<b>V#</b>

- V:** Correct stem (no abbreviations) and figure, correctly classified.
- V#:** Correct process.
- M:** Correct figure, correctly classified and correct stem (award **V** if number incorrect but still correctly classified and correct stem).
- E:** Correctly calculated figure, correctly classified and correct stem (award **V** if number incorrect but still correctly classified and correct stem).
- EE\*:** GST – award one **E** for 3 376 or 2 437.
- F:** Foreign item.
- ft:** Follow through.

**Note to the Statement of Financial Position**

**1. Property, plant, and equipment**

	<b>Exercise equipment</b>	<b>Gym fixtures and fittings</b>	<b>Office equipment</b>	<b>Total</b>
<b>As at 31 March 2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost	60 820 <b>E</b>	41 600 <b>V</b>	6 200 <b>V</b>	108 620
Less accumulated depreciation	(14 400) <b>M</b>	(9 312) <b>E*</b>	(1 750) <b>E*</b>	(25 462)
Carrying amount	46 420	32 288	4 450	83 158 <b>V#</b>

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

- Office equipment is based on a useful life of 10 years and a residual value of \$700 **V\***
- Exercise equipment \$5 400 per year (or 10%) **V\***
- Gym fixtures and fittings 12% p.a. **V\***

- V:** Correct PPE title and figure.
- V#:** Process for all three carrying amounts, and total.
- V\*:** Correct depreciation sentence.
- M:** Correct figure under correct heading. (Award **V** if incorrect number but greater than / equal to \$9 000.)
- E:** Correct PPE title and figure. (Award **V** if correct title but incorrect number.)
- E\*:** Correct figure. (Award **V** if incorrect number but greater than / equal to \$4 320 / \$1 200.)
- F:** Foreign item.

**(29: 18 V, 4 M, 7E)**

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
5 <b>VME</b>	7 <b>VME</b>	10 <b>VME</b>	15 <b>VME</b>	23 <b>VME</b> , including 3 <b>M/E</b> Max 1 <b>F</b>	26 <b>VME</b> , including 4 <b>M/E</b> Max 1 <b>F</b>	27 <b>VME</b> , including 9 <b>M/E</b> No <b>F</b>	29 <b>VME</b> , including 11 <b>M/E</b> No <b>F</b>  <b>No detracting errors</b>

**Question THREE**

<b>Workout Works</b>			
<b>Cash Budget for the month ended 31 July 2018</b>			
	\$	\$	
<b>Estimated cash receipts</b>			
Capital	8 000		<b>V</b>
Membership fees received	19 600		<b>V</b>
Office equipment / computer	200		<b>V</b>
<b>Total estimated cash receipts</b>		27 800	
<b>Estimated cash payments</b>			
Wages	5 500		<b>C</b>
Office equipment / computer (deposit)	2 520		<b>C</b>
Electricity	225		<b>V</b>
Shares in Bodyfix Ltd	5 000		<b>V</b>
Loan	920		<b>C</b>
Interest on loan	244		<b>C</b>
Supplies	360		<b>V</b>
Insurance	2 400		<b>V</b>
Office salary	680		<b>V</b>
Office expenses	310		<b>V</b>
Cleaning	940		<b>V</b>
GST	1 910		<b>V</b>
<b>Total estimated cash payments</b>		21 009	
Surplus of cash		6 791	<b>P</b>
Opening bank balance		2 410	<b>V</b>
Closing bank balance		9 201	<b>P</b>

To receive credit, candidate must have the stem under the correct heading:

- C:** Appropriate stem and correct figure. Award **V** if correct stem and incorrect figure.  
Award **VF** if correct stem but \$ includes a foreign element.
- V:** Appropriate stem and correct figure (figure provided).
- P:** Correct process – allow follow-through on numbers.

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	6 grades	8 grades	12 grades	13 grades inc 2 <b>C</b> max 2 <b>F</b>	15 grades inc 3 <b>C</b> max 1 <b>F</b>	17 grades inc 4 <b>C</b> and 2 <b>P</b> no <b>F</b>	18 grades inc 4 <b>C</b> 2 <b>P</b> no <b>F</b>

**Cut Scores**

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 8	9 – 14	15 – 19	20 – 24