

Assessment Schedule – 2020

Accounting: Prepare financial statements for sole proprietors (90978)

Question ONE

Home Hobbies
Income Statement for the year ended 31 March 2020

	\$	\$	\$	
Revenue				
Sales			276 400	M
Less sales returns			<u>(3 200)</u>	V
Net sales			273 200	
Less Cost of Goods Sold				
Opening inventory		19 800		V
Purchases	131 340			E
Less purchase returns	<u>(7 400)</u>	123 940		V
Customs duty		<u>4 500</u>		V
Goods available for sale		148 240		
Less closing inventory		<u>(21 640)</u>		V
Cost of goods sold			<u>(126 600)</u>	P
Gross profit			146 600	P
Other Income				
Delivery fees received			<u>12 000</u>	V
			158 600	
Less expenses				
Distribution costs				
Advertising	5 840			M
Delivery expenses	16 700			V
Electricity	2100			E*
Internet and telephone	1 800			V
Shop assistants' wages	77 600			M
Shop cleaning	3 650			V
Shop rates	2 200			V
Depreciation on shop furniture	2 745	112 635		M
Administrative expenses				
Accountancy fees	3 500			V
Electricity	700			*
General expenses	8 320			V
Office salary	10 000			V

Depreciation on office equipment	480	23 000		E
Finance costs				
Interest on mortgage	8 200	8 200		V
Total expenses			143 835	
Profit for the year			14 765	P

Notes

- 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)
- P** Correct process with sufficient entries and accuracy
- F** Foreign item

(24) 14 V 4 M 3 E 3 P

N1	N2	A3	A4	M5	M6	E7	E8
6 V/M/E	9 V/M/E	12 V/M/E/P	15 V/M/E/P	19 V/M/E/P <i>inc</i> 3 M/E max 1 F	21 V/M/E/P <i>inc</i> 4 M/E max 1 F	23 V/M/E/P <i>inc</i> 2 E and 3 M no F	24 V/M/E/P <i>inc</i> 7 M/E no F No detracting errors.

N0 = No response; no relevant evidence.

Question TWO

Home Hobbies
Statement of Financial Position as at 31 March 2020

	\$	\$	\$	
Current assets				
Bank		5 390		V
Petty cash		80		V
Inventory		21 640		V
Prepayments		600	<u>27 710</u>	M
Non-current assets				
Property, plant equipment (note 1)				
Total carrying amount		252 075		V ft
Intangible assets				
Goodwill		<u>4 000</u>	<u>256 075</u>	V
Total assets			283 785	
Less liabilities				
Current liabilities				
GST payable	3 489			EE
Accounts payable	5 451			EE
Accrued expenses	3 400			M
Income in advance	2 200	14 540		M
Non-current liabilities				
Mortgage (due 2032)		<u>164 000</u>		V
Total liabilities			<u>(178 540)</u>	
Net assets			\$105 245	V#
Equity				
Opening capital			135 280	V
Profit for the year			14 765	V ft
Less drawings			(44 800)	V
Closing capital			\$105 245	V#

Notes

- 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 correct stem and classification – award one **E** for 4 089 or 3 600
Accounts payable stem and classification – award one **E** for 4 600 or 851

(award **V** if number incorrect but still correctly classified and correct stem)

- F** Foreign item
- ft** Follow through

Note to the Statement of Financial Position

1. Property, plant and equipment

	Office equipment	Shop building	Shop furniture	Total
As at 31 March 2020	\$	\$	\$	\$
Cost	6 000 V	236 000 V	22 300 E	264 300
Accumulated depreciation V!	(2 280) E*	0	(9 945) M	(12 225)
Carrying amount V!	3 720	236 000	12 355	252 075 V#

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

Office equipment 8% p.a. (Or \$480 p.a) V*

Shop furniture \$2 745 each year. V*

Notes

- V** Correct PPE title and figure
- V!** Correct stem
- 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/equal to \$7 200)
- E** Correct PPE title and figure (award **V** if correct title but incorrect number)
- E*** Correct figure (award **V** if incorrect number but greater/equal to \$1 800)
- F** Foreign item

(28; 18 V 4 M 6E)

N1	N2	A3	A4	M5	M6	E7	E8
5 V/M/E	7 V/M/E	10 V/M/E	16 V/M/E	21 V/M/E <i>inc</i> 3 M/E max 1 F	24 V/M/E <i>inc</i> 4 M/E max 1 F	26 V/M/E <i>inc</i> 8 M/E no F No detracting errors.	28 V/M/E <i>inc</i> 10 M/E no F No detracting errors (e.g. Ac REC).

N0 = No response; no relevant evidence.

Question THREE

Home Hobbies
Cash Budget for the month of June 2020

	\$	\$	
Estimated cash receipts			
Sales	26 800*		C
Delivery fees received	1090		C
Computer	300		V
Total estimated cash receipts		28 190	
Estimated cash payments			
Rates	196		C
General expenses	610		V
Drawings	3 000		C
Shop assistants' wages	6 500		C
Mortgage	820		C
Interest on mortgage	680		V
Purchases	11 000		V
Internet & phone	170		V
GST	4 600		V
Computer (deposit)	540		C
Electricity	<u>200</u>		V
Total estimated cash payments		<u>28 316</u>	
Deficit of cash		(126)	P
Opening bank balance		<u>5 170</u>	V
Closing bank balance		5 044	P

Sales*: If list separately and correct total – **C**, If either \$5 000 or \$21 800 one **V**. Inclusion of \$1 500 = **F**

N1	N2	A3	A4	M5	M6	E7	E8
4 grades	6 grades	8 grades	12 grades	13 grades inc 3 C max 1 F	15 grades inc 4 C max 1 F	16 grades inc 5 C and 2 P no F	17 grades inc 6 C 2 P no F

N0 = No response; no relevant evidence.

Cut Scores

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