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NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
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SUPERVISOR'S USE ONLY

Level 1 Accounting, 2017

90978 Prepare financial statements for sole proprietors

9.30 a.m. Tuesday 21 November 2017
Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Prepare financial statements for sole proprietors.	Prepare in-depth financial statements for sole proprietors.	Prepare comprehensive financial statements for sole proprietors.

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 90978R from the centre of this booklet.

You should attempt ALL the questions in this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–8 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.

TOTAL

ASSESSOR'S USE ONLY

Note to the Statement of Financial Position

ASSESSOR'S
USE ONLY

1. Property, plant and equipment

				Total
As at 31 March 2017	\$	\$	\$	\$
Cost				
Accumulated depreciation				
Carrying amount				

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

QUESTION THREE: CASH BUDGET

From the information provided below, prepare the Cash Budget for *Surf & Streetwear* for the month ended 30 November 2017.

Ensure that you **calculate** and **label** the cash surplus or deficit for November.

Note: Assume that four weeks equals one month.

Shari knows that the following transactions for *Surf & Streetwear* happen regularly during the year:

- Shop assistants' wages are paid by direct credit each week \$1 150
- Depreciation on office furniture is allowed each month \$67
- Shari transfers \$780 each week via online transfer into her personal bank account
- Automatic payment for Telephone and Internet \$225 per month
- Insurance totals \$1 980 each year and is paid monthly by electronic transfer
- An automatic payment for loan repayments totals \$1 020 each month. This payment includes \$120 interest.

In addition to the regular transactions above, Shari expects the following transactions for *Surf & Streetwear* to occur in November:

- Online and in-store cash sales are expected to be \$3 550 each week in November
- Delivery fees to be received \$340 this month
- The old office desk to be sold \$90 cash
- Purchases for the month total \$7 000, of which 80% are to be paid in November
- Shari intends to take clothing home for her family totalling \$500
- Dividends to be received \$65 direct credit
- Purchase of new shop fittings totalling \$3 280, of which 40% is to be paid this month
- Payment of GST \$2 890 via online transfer.

Surf & Streetwear Bank Balance on 1 November 2017 is \$3 390 in funds.

