

# 1

90978



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NEW ZEALAND QUALIFICATIONS AUTHORITY  
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## Level 1 Accounting, 2018

### 90978 Prepare financial statements for sole proprietors

9.30 a.m. Thursday 29 November 2018  
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**

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**QUESTION ONE: INCOME STATEMENT**

Refer to **Resource Booklet 90978R** to answer this question.

Prepare a fully classified Income Statement for *Workout Works* for the year ended 31 March 2018.

Classify the expenses as:

- Gym costs
- Administrative expenses
- Finance costs.

**Note:** Do NOT use abbreviations.



**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

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Refer to **Resource Booklet 90978R** to answer this question.

Prepare a fully classified Statement of Financial Position with accompanying note for *Workout Works* as at 31 March 2018.

**Note:** Do NOT use abbreviations.

**Workout Works**  
**Statement of Financial Position as at 31 March 2018**

	\$	\$	\$


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## Note to the Statement of Financial Position

### 1. Property, plant, and equipment

				<b>Total</b>
<b>As at 31 March 2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost				
Accumulated depreciation				
Carrying amount				

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

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### QUESTION THREE: CASH BUDGET

From the information provided below, prepare the Cash Budget for *Workout Works* for the month of July 2018.

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

**Note:** Assume that four weeks equals one month.

Monday, 2 July

Bank balance  
1 July 2018:  
\$2 410 in  
funds

Tuesday, 3 July

Order monthly  
gym supplies:  
\$460

Wednesdays

Wages to be  
paid every  
Wednesday:  
\$1 375

Saturday,  
7 July

Remember  
to transfer  
personal cash,  
\$8 000, into  
gym bank  
account

Monday, 9 July

Purchase new  
computer system:  
\$4 200. Pay 60%  
deposit, the rest  
due in August

Tuesday, 10 July

Pay electricity:  
\$225

Wednesday,  
11 July

Purchase  
more shares in  
Bodyfix Ltd,  
\$5 000, using  
online bank  
transfer

Thursdays

Fortnightly  
payments every  
second Thursday  
for loan, \$460,  
and interest on  
loan, \$122

Friday, 13 July

Pay supplies  
purchased last  
month: \$360

Monday,  
16 July

Members  
competition  
results: prize  
free membership  
(value \$860)

Wednesday,  
18 July

Internet  
membership fees  
to be received:  
\$19 600

Friday, 20 July

Annual  
insurance to be  
paid:  
\$2 400

Monday,  
23 July

Expect to sell  
old computer  
system for cash,  
\$200

Tuesday, 24 July

Write out cheques  
for:

- office expenses,  
\$310
- cleaning,  
\$940
- GST, \$1910

Wednesday,  
25 July

Pay office  
salary:  
\$680

Saturday,  
28 July

Take home  
spare  
supplies and  
supplements:  
\$180

**Workout Works**

**Cash Budget for the month ended 31 July 2018**

	\$	\$
<b>Estimated cash receipts</b>		
<b>Closing bank balance</b>		

<b>Acknowledgements</b>	
Images from the following sources have been adapted for use in this examination.	
Page	Source
6	(blue sticky note) <a href="http://clipart-library.com/clipart/BcaKzngzi.htm">http://clipart-library.com/clipart/BcaKzngzi.htm</a> . (yellow sticky note) <a href="https://thecliparts.com/the-best-free-clipart-35528/">https://thecliparts.com/the-best-free-clipart-35528/</a> .

