

# 1

90978



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## Level 1 Accounting, 2019

### 90978 Prepare financial statements for sole proprietors

9.30 a.m. Friday 22 November 2019

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.

**You should attempt ALL the questions in this booklet.**

Pull out Resource Booklet 90978R from the centre of 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 *Gardening and More* for the year ended 31 March 2019.

Classify the expenses as:

- Gardening costs
- Administrative expenses
- Finance costs.

**Note:** Do NOT use abbreviations.

***Gardening and More***  
**Income Statement for the year ended 31 March 2019**

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	\$	\$	\$

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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

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

Prepare a fully classified Statement of Financial Position with accompanying note for *Gardening and More* as at 31 March 2019.

**Note:** Do NOT use abbreviations.

***Gardening and More***  
**Statement of Financial Position as at 31 March 2019**

	\$	\$	\$


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			<b>Total</b>
<b>As at 31 March 2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost			

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 *Gardening and More* for the month of October 2019.

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

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

On 1 October, the bank balance is \$3 740 overdrawn.

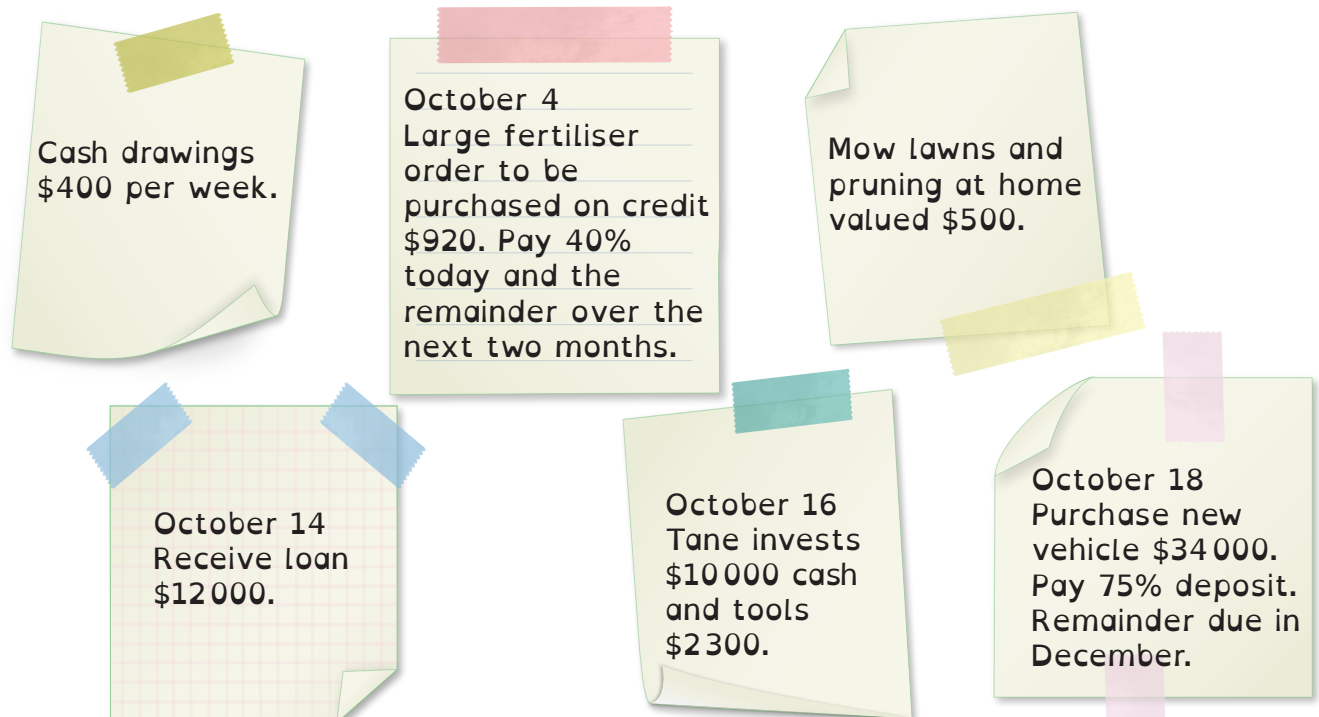
Tane knows that the following transactions for *Gardening and More* happen regularly during the year:

- Petrol expenses paid monthly: \$615
- Gardeners wages paid by automatic payment every fortnight: \$980
- Cellphone expenses paid by direct debit each month: \$140
- Insurance for the year totals \$2 676. This is paid off monthly by electronic transfer
- Depreciation on gardening equipment for the year: \$3 800
- Monthly advertising paid by direct debit: \$180
- Office salary paid weekly by automatic payment: \$135
- Loan repayments every fortnight by automatic payment: \$42
- Maintenance on gardening equipment averages \$80 each month, paid by cheque.

Tane estimates the following gardening fees received for the year:

January to March	April to August	September to December
\$9 200 each month	\$2 400 each month	\$12 800 each month

In addition to the regular transactions, Tane expects the following transactions in October:



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**Extra space if required.  
Write the question number(s) if applicable.**

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QUESTION  
NUMBER

90978