

90978



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## Level 1 Accounting 2022

### 90978 Prepare financial statements for sole proprietors

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.

Do not write in any cross-hatched area (XXXX). This area may be cut off when the booklet is marked.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

**QUESTION ONE: Income Statement**

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

Prepare a fully classified Income Statement for *Precision Physio* for the year ended 31 March 2022.

Classify the expenses as:

- Physio costs
- Administrative expenses
- Finance costs.

**Note:** Do NOT use abbreviations. Physio is acceptable.

***Precision Physio***  
**Income Statement for the year ended 31 March 2022**

	\$	\$	\$







### QUESTION THREE: Cash Budget

From the information provided below, prepare the Cash Budget for *Precision Physio* for the month of June 2022.

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

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

On 1 June, the bank balance is expected to be \$4 130 in funds.

Peita's office manager has provided her with the following information relating to *Precision Physio's* regular transactions during the year:

- Patient appointment bookings are steady, but the autumn and winter months have more injuries due to the nature of the sports.

	<b>Spring and Summer September to February</b>	<b>Autumn and Winter March to August</b>
<b>Weekly number of visits</b>	175	200
<b>Weekly physio wages</b>	\$3 000	\$3 500

- Patients are charged \$40 per visit and are expected to pay at the time of their appointment.
- Physio wages are paid weekly.
- The following monthly automatic payments are set up:
  - rates \$360
  - office salary \$2 100
  - mortgage repayments \$6 800 including \$1 260 interest
  - advertising \$500.
- Autumn and winter electricity averages \$320 a fortnight and is paid by direct debit.
- Monthly supplies to be paid for in June, \$4 300.
- Depreciation on the physio equipment averages \$480 a month.
- The annual telephone and internet budget is \$2 220 and is paid monthly.
- A spare room is rented out for \$315 per week. This is received via internet transfer.
- *Precision Physio* sponsors player of the month for their local school with vouchers for two physio sessions that total \$160.
- Peita's annual cash drawings for this year are expected to be \$81 600. These are transferred monthly.

In addition to the regular transactions, Peita expects the following things to happen in June:

- *Precision Physio* to purchase two new physio tables costing \$3 600 each, paying a 40% deposit and the rest paid in July and August
- GST payment is due \$13 500
- Peita to invest a new vehicle \$20 000 and \$12 000 cash into the business.



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

QUESTION  
NUMBER

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