

90978R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD  
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

## Level 1 Accounting, 2016

### 90978 Prepare financial statements for sole proprietors

9.30 a.m. Tuesday 22 November 2016

Credits: Five

## RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 90978.

Check that this booklet has pages 2–3 in the correct order and that none of these pages is blank.

**YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.**

**RESOURCE**

Sienna owns a store in Dunedin that sells outdoor furniture. The shop is called *Otago Outdoors*.

The following Trial Balance and additional information relate to *Otago Outdoors* for the year ended 31 March 2016.

***Otago Outdoors***  
**Trial Balance as at 31 March 2016**

	\$		\$
Accountancy fees	1 800	Accumulated depreciation on office equipment	2 000
Advertising	800	Accumulated depreciation on shop fittings	6 000
Bank	1 250	Capital	183 400
Customs duty	600	GST	2 200
Drawings	19 800	Interest received	480
General expenses	1 180	Loan (due 2030)	30 000
Goodwill	31 000	Purchase returns	2 700
Insurance	3 400	Rent received	27 000
Interest on loan	1 300	Sales	173 500
Inventory 1 April 2015	23 000		
Land and buildings	220 000		
Office equipment	9 000		
Office wages	2 500		
Petty cash	50		
Purchases	39 800		
Sales returns	2 100		
Salespeople's wages	41 600		
Shop cleaning	2 600		
Shop fittings	12 000		
Telephone and Internet	1 500		
Term deposit	12 000		
	427 280		427 280

**Additional information**

- Inventory 31 March 2016, \$24 500.
- Rent received in advance, \$1 000 excluding GST.
- Office wages owing, \$200.
- Shop cleaning has been paid in advance, \$80 excluding GST.
- Depreciation on the office equipment is based on a useful life of 5 years and a residual value of \$500.
- Depreciation on the shop fittings, \$900 per year.
- The telephone and Internet is 70% shop and 30% office.
- Invoice received for purchases, \$460 including GST.
- Invoice received on 31 March 2016 for the purchase of new shop fittings, \$1 380 including GST.  
(**Note:** These new shop fittings are not depreciated this year.)