

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, 2017

90978 Prepare financial statements for sole proprietors

9.30 a.m. Tuesday 21 November 2017

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 neither of these pages is blank.

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

RESOURCE

Shari owns *Surf & Streetwear*, a retail shop selling clothes and accessories in store and online.

The following Trial Balance and additional information relate to *Surf & Streetwear* for the year ended 31 March 2017.

Surf & Streetwear
Trial Balance as at 31 March 2017

	\$		\$
Advertising	4 300	Accumulated depreciation on office furniture	1 300
Bank	2 190	Accumulated depreciation on shop fittings	2 016
Buildings	96 000	Capital	155 670
Courier expenses	5 730	Delivery fees received	5 400
Customs duty	1 280	Dividends	144
Drawings	40 000	GST payable	3 280
Freight inwards	2 020	Loan (due 2025)	45 000
General expenses	11 970	Purchase returns	850
Interest on loan	2 730	Sales	174 200
Inventory (1 April 2016)	23 860		
Office furniture	12 400		
Office salary	18 000		
Office stationery	740		
Purchases	76 800		
Sales returns	340		
Shares in <i>Skaters Ltd</i>	12 400		
Shop assistants' wages	55 300		
Shop cleaning	600		
Shop fittings	18 400		
Telephone & Internet	2 800		
	\$ 387 860		\$ 387 860

Additional information

- Inventory 31 March 2017, \$18 370
- Shop assistants' wages owing \$420
- Dividends of \$60 are owing to *Surf & Streetwear*
- Sales have been received in advance totalling \$1 300 excluding GST
- Depreciation on office furniture is \$800 per year
- Depreciation on shop fittings, 8% straight line
- Invoices received on 31 March 2017 for purchases totalling \$5 290 including GST
- An invoice received on 31 March 2017 for buying of a new office desk, \$368 including GST
- Telephone and Internet is to be split 70% for shop and 30% for office
- The courier is used to deliver the online sales