

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, 2018

90978 Prepare financial statements for sole proprietors

9.30 a.m. Thursday 29 November 2018
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

Workout Works is a fitness and exercise gym owned by Wallace. It offers a range of group classes and individual workouts. In addition to the gym facilities that members pay a membership fee to use, *Workout Works* also hires out equipment to members to use in their own homes.

The following Trial Balance and additional information relate to *Workout Works* for the year ended 31 March 2018.

Workout Works
Trial Balance as at 31 March 2018

	\$		\$
Advertising	3 800	Accumulated depreciation on exercise equipment	9 000
Drawings	44 500	Accumulated depreciation on gym fixtures and fittings	4 320
Exercise equipment	56 000	Accumulated depreciation on office equipment	1 200
Fitness instructors' wages	70 000	Bank overdraft	2 000
Goodwill	12 000	Capital	79 520
Gym cleaning	26 000	Dividends received	300
Gym fixtures and fittings	41 600	Equipment hire received	8 000
Gym rent	64 000	GST payable	3 160
Gym supplies on hand	2 800	Loan (due 2026)	45 000
Gym supplies used	12 000	Membership fees received	240 400
Interest on loan	2 700		
Office equipment	6 200		
Office expenses	15 000		
Office salaries	18 500		
Other gym expenses	7 300		
Petty cash	100		
Shares in Bodyfix Ltd	8 000		
Stationery	800		
Telephone & Internet	1 600		
	\$ 392 900		\$ 392 900

Additional Information:

- Office expenses paid in advance, \$320 excluding GST.
- Interest on loan owing on balance day, \$280.
- Equipment hire received in advance, \$850 excluding GST.
- Depreciation on exercise equipment, \$5400 per year.
- Depreciation on gym fixtures and fittings is 12% p.a. straight line.
- Depreciation on office equipment is based on a useful life of 10 years and a residual value of \$700.
- Invoice received on 31 March 2018 for purchase of new exercise equipment, \$5543 including GST.
- Invoices issued on 31 March 2018 for membership fees received total \$1656 including GST.

