

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, 2019

### 90978 Prepare financial statements for sole proprietors

9.30 a.m. Friday 22 November 2019  
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

*Gardening and More* is a garden and lawn mowing business owned by Tane, and has one gardener. The majority of clients pay cash at the time of the service, while others pay the entire year in advance. The business uses vehicles to transport equipment to each job.

The following Trial Balance and additional information relate to *Gardening and More* for the year ended 31 March 2019.

*Gardening and More*  
Trial Balance as at 31 March 2019

	\$		\$
Accountants fees	1 800	Accumulated depreciation – Gardening equipment	11 200
Advertising	2 200	Accumulated depreciation – Vehicles	13 150
Bank	4 280	Capital	36 900
Cellphone expenses	1 680	Dividends received	120
Drawings	26 000	Gardening fees received	124 000
Garden fertiliser used	5 000	GST payable	1 340
Gardener’s wages	30 400	Loan (due December 2019)	2 900
Gardening equipment	34 000		
Gardening insurance	2 800		
Gardening supplies used	6 200		
Interest on loan	450		
Internet and stationery	1 600		
Maintenance on gardening equipment	760		
Office salary	7 000		
Other vehicle expenses	5 200		
Petrol	7 360		
Petty cash	80		
Shares in <i>Potmix Ltd</i>	6 500		
Vehicles	46 300		
	<b>\$189 610</b>		<b>\$189 610</b>

**Additional Information:**

- Gardening insurance paid in advance: \$270, excluding GST
- Gardener's wages owing on balance day: \$490
- Dividends received owing from *Potmix Ltd*: \$80
- Gardening fees received in advance: \$3 200, excluding GST
- Cellphone expenses is to be split 85% for gardening and 15% for the office
- Depreciation on gardening equipment is \$5 100 per year
- Depreciation on vehicles is 22% p.a. straight line
- Invoice received on 31 March 2019 for gardening supplies used: \$598, including GST
- Invoice issued on 31 March 2019 for gardening fees received totals \$759, including GST.

