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90980



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

SUPERVISOR'S USE ONLY

Level 1 Accounting, 2016

90980 Interpret accounting information for sole proprietors

9.30 a.m. Tuesday 22 November 2016
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Interpret accounting information for sole proprietors.	Soundly interpret accounting information for sole proprietors.	Comprehensively interpret accounting information 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.

Pull out Resource Booklet 90980R from the centre of this booklet.

You should attempt ALL the questions in 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.

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

TOTAL

ASSESSOR'S USE ONLY

QUESTION ONE

Refer to **Resource A** and **Resource B** in **Resource Booklet 90980R** to answer this question.

- (a) Complete the Analysis Measures chart below for *ARTZ*.

Note: Percentages should be rounded to the nearest whole number.

Analysis Measures chart for *ARTZ*

Analysis Measure	2015	2016
Mark-up %	120%	
Gross profit %	50%	

- (b) Explain what the 2015 mark-up percentage of 120% means for *ARTZ*.

- (c) Fully explain ONE possible reason for the trend in the mark-up percentage for *ARTZ*.

QUESTION THREE

Refer to **ALL** of **Resource Booklet 90980R** to answer this question.

- (a) Complete the Analysis Measures chart below for *ARTZ*.

Note: Ratios should be rounded to two decimal places.

Analysis Measures chart for *ARTZ*

Analysis Measure	2015	2016
Current ratio	2.10:1	
Liquid ratio	1.35:1	

- (b) Explain what the 2015 liquid ratio of 1.35:1 means for *ARTZ*.

- (c) Fully explain ONE possible reason for the trend in the liquid ratio from 2015 to 2016 for *ARTZ*.
