

91174



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

2

SUPERVISOR'S USE ONLY

Level 2 Accounting, 2014

91174 Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems

2.00 pm Wednesday 26 November 2014

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate in-depth understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate comprehensive understanding of accounting concepts for an entity that operates accounting subsystems.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

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 2–11 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

On 10 April 2013, Jessica purchased a small business called *Fancy Pants*, a fancy dress and costume hire shop. Jessica made this decision after careful consideration of the financial statements and consultation with her bank manager.

Below is an extract of the Statement of Financial Position for *Fancy Pants* used by Jessica in her decision to buy the business.

<i>Fancy Pants</i> Statement of Financial Position (extract) as at 31 March 2013	
	\$NZ
Assets	
Accounts receivable	1 600
Prepayments	250
Property, plant and equipment (Note)	37 300
Goodwill	8 000
Total assets	47 150
Liabilities	
Accounts payable	2 100
Income in advance (hire fees)	90
Bank loan	7 000
Total liabilities	9 190

Note: Property, plant and equipment

As at 31 March 2013	Costumes	Office computer	Shop fittings	Total
	\$NZ	\$NZ	\$NZ	\$NZ
Cost	26 000	5 400	22 000	53 400
Accumulated depreciation	7 300	2 200	6 600	16 100
Carrying amount	18 700	3 200	15 400	37 300

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The examination continues on the following page.**

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