

91176R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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## Level 2 Accounting 2020

### 91176 Prepare financial information for an entity that operates accounting subsystems

2.00 p.m. Thursday 19 November 2020  
Credits: Five

#### RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91176.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

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

**RESOURCE A**

The trial balance below and additional information on page 3 relate to *Unisportz*, which is registered for GST on the invoice basis.

***Unisportz* Trial Balance as at 31 March 2020**

Accountancy fee	7 800	Accounts payable	7 600
Accounts receivable	9 150	Accumulated depreciation: – printing equipment	72 000
Bad debts	400		
Cost of goods sold	364 000	Accumulated depreciation: – warehouse fittings	18 000
Drawings	47 000		
Interest on loan	3 600	Allowance for doubtful debts	300
Inventory	42 000	Bank	1 900
Office expenses	14 000	Capital	177 000
Phone and internet	9 000	GST	7 750
Printing equipment	235 000	Loan (due 2026)	45 000
Printing expenses	27 900	Printing income	147 500
Sales returns	5 000	Sales	535 000
Wages	70 400		
Warehouse expenses	31 200		
Warehouse fittings	130 000		
Website expense	15 600		
	\$1 012 050		\$1 012 050

### Additional information

- Phone and internet is 70% Distribution and printing costs and 30% Administration expense.
- There is an invoice on hand for accountancy fees, \$3 450 including GST.
- Printing expenses have been paid in advance, \$4 200 excluding GST.
- Wages are all paid to part-time workers. These workers are employed as required to assist both with printing uniforms and in the warehouse with packing and delivery.
- Two part-time warehouse assistants are each owed one week's wages. Wages for part-time warehouse assistants are \$700 per week.
- Write off additional bad debts, \$1 150 including GST.
- Adjust the allowance for doubtful debts to 2.5% of accounts receivable.
- Printing income has been received in advance, \$5 750 including GST.
- Depreciation on warehouse fittings is 10% straight line.
- Depreciation on printing equipment is 20% diminishing value.
- Inventory with a cost of \$8 000, excluding GST, has a net realisable value of \$4 500, excluding GST, and is to be written down.

### RESOURCE B

The following closing entry was included in *Unisportz's* accounting software program.

31/03/20	Income summary	78 400	
	Capital		78 400
	(closing entry)		

The following is an extract from the Property, plant and equipment note to the financial statements.

#### *Unisportz* Notes to the Financial Statements (extract)

##### 2. Property, plant and equipment (extract)

As at 31 March 2020	Totals
Cost	365 000
Accumulated depreciation	(135 600)
Closing carrying amount	229 400

## RESOURCE C

The following information relates to *Unisportz's* transactions with accounts receivable and accounts payable during April 2020:

- invoices issued to credit customers, \$12 700
- invoices received from suppliers, \$14 000
- credit notes received from suppliers, \$1 350
- credit notes issued to credit customers, \$800.

On 30 April 2020:

- accounts payable balance is \$10 200
- accounts receivable balance is \$9 500.

*Unisportz's* online bank statement included the following entries for April 2020, apart from direct credits from accounts receivable and online bill payments to accounts payable.

<b>Bank statement entries summary for April</b>	
Direct debits for expenses	7 250
Bank transfer for wages	6 100
Direct credits for online cash sales	45 800
EFTPOS drawings	3 800
Deposit paid on new warehouse fittings	8 000
Direct credit for sale of old warehouse fittings	1 700
IRD – GST paid	7 150
Online payments for cash purchases	11 400

### **Additional information**

- The new warehouse fittings cost \$40 000, requiring an immediate 20% deposit to secure their delivery from Australia. The balance would be payable only on delivery.