

91176R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

Level 2 Accounting 2021

91176 Prepare financial information for an entity that operates accounting subsystems

Credits: Five

RESOURCE BOOKLET

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

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 A

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

***Bakehome* Trial Balance as at 31 March 2021**

	\$		\$
Accounts receivable	8 000	Accounts payable	7 300
Accountancy fees	10 900	Accumulated depreciation – catering equipment	28 500
Bad debts	600	Accumulated depreciation – delivery van	12 400
Catering equipment	76 000	Allowance for doubtful debts	100
Catering expenses	17 200	Bank	1 900
Cost of goods sold	62 200	Capital	82 700
Delivery van	45 000	Catering fees	36 100
Depreciation on catering equipment	500	Gain on sale – catering equipment	200
Drawings	36 400	Loan (3 years)	40 000
Electricity – café	5 400	Sales	168 700
Goodwill	11 000		
GST	1 200		
Interest expense	2 400		
Inventory	8 300		
Petty cash	200		
Phone and internet	5 000		
Rent – café	40 000		
Wages	35 200		
Website expense	12 400		
	\$377 900		\$377 900

Additional information

- Wages are paid to part-time café and catering staff.
- Catering fees received in advance, \$7 000 excluding GST.
- The loan was obtained from the bank on 1 July 2020. One month's interest is owing on the loan, at a fixed interest rate of 9% p.a.
- Invoice on hand for electricity – café, \$575 including GST.
- Included in inventory is food waste with a cost of \$600 excluding GST, and a net realisable value of \$0. The inventory is to be written down.
- Adjust the allowance for doubtful debts to 5% of accounts receivable.
- Depreciation on delivery van is based on the kilometres it has travelled. The delivery van has a useful life of 120 000 km and a residual value of \$5 000. For the year ended 31 March 2021 the delivery van travelled 15 000 km.
- Rent for the café is paid in advance. The rent for the café in April and May 2020 was reduced from \$3 200 per month to \$2 400 per month. Since June, 2020 café rent has remained at \$3 200 per month.
- Phone and internet are 80% café and catering costs and 20% administration expenses.
- During the year, Blair sold an old cake mixer. The cake mixer originally cost \$3 000 excluding GST, and had a carrying amount of \$800 when it was sold for \$1 150 including GST. The related gain on sale has been included in the trial balance.
- Depreciation on catering equipment in the trial balance relates to depreciation on the cake mixer to the date of sale. Depreciation on remaining catering equipment is \$10 000 for the year.
- Invoice on hand for new catering equipment \$8 050, including GST, not yet recorded. This catering equipment is depreciated only in the next financial year.
- The carrying amount for catering equipment as at 31 March 2020, \$48 800.

RESOURCE B

During April 2021, the following transactions occurred:

- Invoices issued for catering fees \$4 800.
- Electricity invoice received \$700.
- Blair provided a discount to a regular catering customer of 5% on their balance owing of \$2 000.
- Credit note issued for catering fees, after the cancellation of an event \$1 200.
- Blair wrote off one catering invoice \$700 when a catering customer left New Zealand without paying.
- Credit purchases \$1 500.

On 30 April 2021, the balance of accounts receivable was \$6 500.

