

91177



NEW ZEALAND QUALIFICATIONS AUTHORITY
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SUPERVISOR'S USE ONLY

Level 2 Accounting, 2016

91177 Interpret accounting information for entities that operate accounting subsystems

2.00 p.m. Tuesday 22 November 2016
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Interpret accounting information for entities that operate accounting subsystems.	Interpret accounting information in depth for entities that operate accounting subsystems.	Interpret accounting information comprehensively for entities that operate 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.

Pull out Resource Booklet 91177R from the centre of 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 2–10 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

Refer to **Resources A, B, C, and D** in **Resource Booklet 91177R** when answering the questions.

QUESTION ONE

Papermill is owned by Anne. The business is a stationery shop that sells books, magazines, toys, and office supplies.

(a) Complete the table of analysis measures below using **Resource A** and **Resource B**. (Round your answer to one decimal place, where necessary, and ignore GST.)

Analysis Measures for <i>Papermill</i>		
	2015	2016
Percentage change in sales	2%	_____ %
Mark-up percentage	95%	_____ %
Mark-up percentage – industry average	95%	95%

Like other businesses in the industry, *Papermill* has faced increased costs from its **suppliers** for the year ended 31 March 2016.

(b) Justify how *Papermill* successfully responded to the challenge of increased costs from its suppliers in the year ended 31 March 2016. In your answer, use information from the table above and **Resource B** to explain:

- what *Papermill*'s **mark-up percentage** in 2016 means
- how the **trend** in *Papermill*'s mark-up percentage shows the business's response to the increased costs from suppliers
- how and why the response from *Papermill* in 2016 was successful.

(c) Use **Resource C** to answer the following questions:

(i) Describe what the **trend** in the **net profit/profit for year** percentage means.

(ii) Explain, with an example, what impact distribution costs have had on the trend in the net profit/profit for year percentage.

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