

91177R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

## Level 2 Accounting, 2013

### 91177 Interpret accounting information for entities that operate accounting subsystems

9.30 am Friday 29 November 2013  
Credits: Four

#### RESOURCE BOOKLET

Refer to this booklet to answer the questions for Accounting 91177.

Check that this booklet has pages 2–5 in the correct order and that none of these pages is blank.

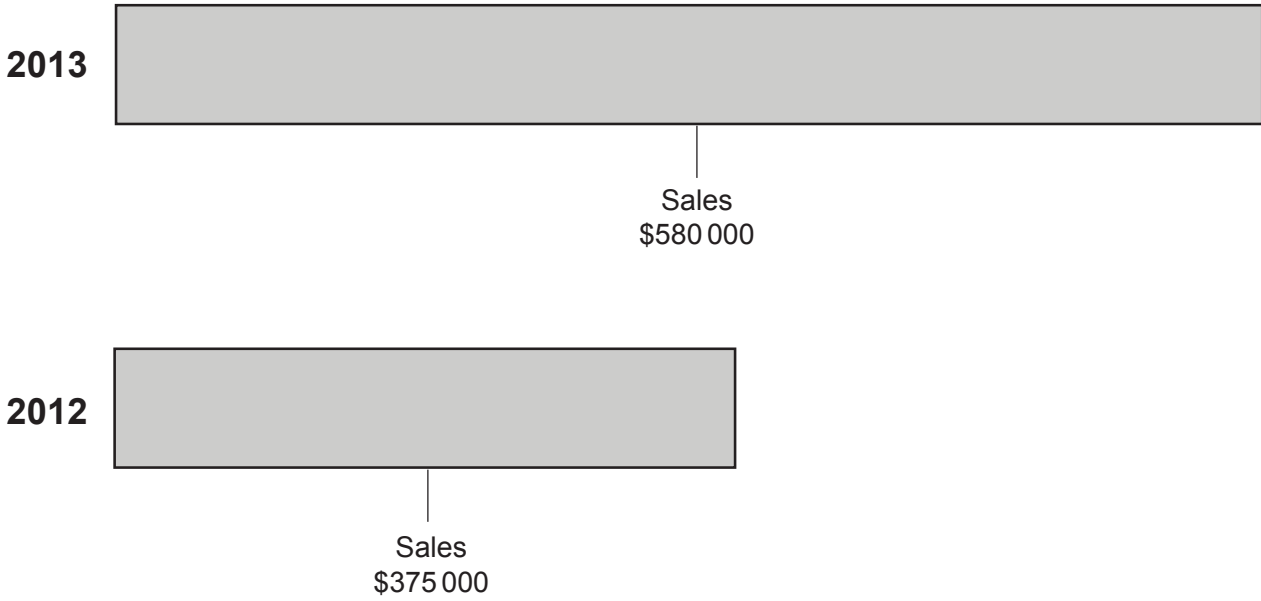
**YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.**

## RESOURCE ONE

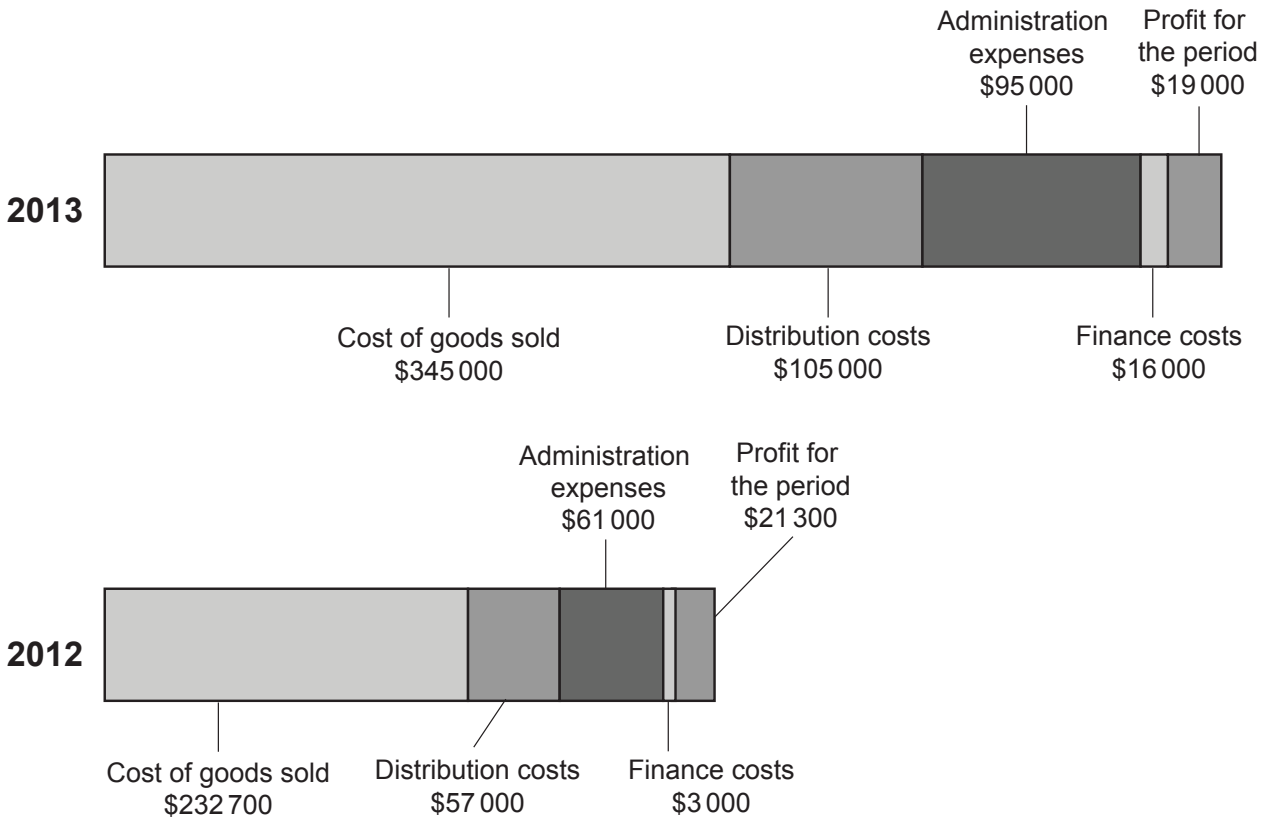
<b>Analysis Measures and Formulae</b>	
Mark-up %	$\frac{\text{Gross profit}}{\text{Cost of goods sold}} \times \frac{100}{1}$
Gross profit %	$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$
Distribution cost %	$\frac{\text{Distribution costs}}{\text{Sales}} \times \frac{100}{1}$
Administrative expense %	$\frac{\text{Administrative expenses}}{\text{Sales}} \times \frac{100}{1}$
Finance cost %	$\frac{\text{Finance costs}}{\text{Sales}} \times \frac{100}{1}$
Net profit %	$\frac{\text{Profit for the year}}{\text{Sales}} \times \frac{100}{1}$
Return on equity %	$\frac{\text{Profit for the year}}{\text{Average equity}} \times \frac{100}{1}$
Rate of return on total assets %	$\frac{\text{Profit for the year} + \text{Interest}}{\text{Average total assets}} \times \frac{100}{1}$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Liquid ratio	$\frac{\text{Current assets} - (\text{inventory} + \text{prepayments})}{\text{Current liabilities} - \text{secured overdraft}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
Inventory turnover	$\frac{\text{Cost of goods sold}}{\text{Average inventory}} = (\text{times per year})$
Age of accounts receivable	$\frac{\text{Average accounts receivable}}{\text{Credit sales} \times 1.15} \times \frac{365}{1} \quad (\text{days})$
Percentage change	$\frac{(\text{this year's figure} - \text{last year's figure})}{\text{last year's figure}} \times \frac{100}{1}$

RESOURCE TWO

**Carl's Furniture – Revenue**



**Carl's Furniture – Distribution of revenue**



**RESOURCE THREE**

<b>Summary of Carl's Furniture Statement of Financial Position</b>		
	<b>2012</b>	<b>2013</b>
<b>Assets</b>	<b>\$</b>	<b>\$</b>
Bank	1 300	0
Inventory	27 000	58 000
Accounts Receivable	22 000	60 000
Prepayments	1 000	2 000
Property, Plant & Equipment	125 000	332 000
<b>TOTAL Assets</b>	<b>176 300</b>	<b>452 000</b>
<b>Liabilities</b>		
Accounts Payable	18 000	34 000
GST Payable	6 000	9 700
Bank Overdraft	0	27 000
Bank Loan (due 2018)	8 000	7 000
Mortgage (7% due 2030)	45 000	201 000
<b>TOTAL Liabilities</b>	<b>77 000</b>	<b>278 700</b>
<b>Equity</b>	<b>99 300</b>	<b>173 300</b>

**Information extracted from Property, Plant and Equipment**

	<b>2012</b>	<b>2013</b>
Buildings (cost)	\$100 000	\$250 000

## RESOURCE FOUR

Diary extracts of events for *Carl's Furniture* for the financial year ended 31 March 2013.

