

# Student Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Level 1 Accounting, 2016**

**90978 (1.3) Prepare financial statements for sole proprietors**

Credits: Five

| **Achievement Criteria** | | |
| --- | --- | --- |
| **Achievement** | **Achievement**  **with Merit** | **Achievement**  **with Excellence** |
| Prepare financial statements for sole proprietors. | Prepare in-depth financial statements for sole proprietors. | Prepare comprehensive financial statements for sole proprietors. |

You should answer ALL the questions in this booklet.

Use the Resource Booklet 90978 (1.3) to answer the questions in this assessment.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

TOTAL

**You are advised to spend 60 minutes answering the questions in this booklet**

**QUESTION ONE: INCOME STATEMENT**

Refer to the Resource Booklet to answer this question.

Prepare the **Income Statement** for *Clever Cleaners* for the year ended 31 March 2016.

Classify the expenses as:

* Cleaning Expenses
* Administrative Expenses
* Finance Costs

Do NOT use abbreviations.

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| --- | --- | --- | --- |
| ***Clever Cleaners***  **Income Statement for the year ended 31 March 2016** | | | |
|  | **$** | **$** | **$** |
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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

Refer to the Resource Booklet to answer this question.

Prepare the **Statement of Financial Position** for*Clever Cleaners* as at 31 March 2016 with accompanying note.

Do NOT use abbreviations.

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| ***Clever Cleaners***  **Statement of Financial Position as at 31 March 2016** | | | |
|  | **$** | **$** | **$** |
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Note to the Statement of Financial Position

1. **Property, Plant and Equipment**

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| --- | --- | --- | --- | --- |
|  | **Cleaning Equipment** | **Office Equipment** | **Vehicles** | **Total** |
|  | **$** | **$** | **$** | **$** |
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Depreciation is calculated on a straight line basis at the following rates:

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**QUESTION THREE: CASH BUDGET**

From the information provided below, prepare a **Cash Budget** for *Clever Cleaners* for the month ended 31 October 2016. Identify a cash surplus or deficit by **circling** the appropriate word.

**Assume that 4 weeks equals one month.**

Estimated information for *Clever Cleaners* for the month ended 31 October 2016.

* *Clever Cleaners* have planned to purchase a new vacuum cleaner for $3 200. They will pay 40% cash and the rest on credit.
* A friend has agreed to pay $250 this month to purchase the old vacuum cleaner.
* Depreciation on cleaning equipment is $2 200 per year.
* Cleaning fees for the month of October are expected to be $12 000, of which 10% are on credit.
* *Clever Cleaners* expect to deposit a further $1 000 into their term deposit.
* Wages paid are $1 600 per fortnight.
* Interest on term deposit is $200 per quarter which is due to be received in October.
* Tom takes regular drawings of $500 cash per week.
* Tom’s home is cleaned each week to the value of $80.
* Insurance of $215 is paid monthly.
* Interest on loan is $6 000 per year paid in equal monthly instalments by automatic payment.
* Advertising in the local paper is paid by direct debit at $30 weekly.
* Loan repayments are $800 per month.
* Bank Balance as at 1 October 2016 was $650 **overdrawn.**

**Space for working if required**

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| --- | --- | --- |
| ***Clever Cleaners***  **Cash Budget for the month ended 31 October 2016** | | |
|  | **$** | **$** |
| **Estimated Cash Receipts** |  |  |
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| **Total Estimated Cash Receipts** |  |  |
| **Estimated Cash Payments** |  |  |
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| **Total Estimated Cash Payments** |  |  |
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| **Surplus / Deficit of cash** |  |  |
| **Opening Bank Balance** |  |  |
| **Closing Bank Balance** |  |  |