

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

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| **RESOURCE BOOKLET** |

**Level 1 Accounting, 2016**

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

**Refer to this booklet to answer the questions for Accounting 90978 (1.3).**

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

*Clever Cleaners* is a cleaning business owned by sole proprietor, Tom Tidy. *Clever Cleaners* employ two staff and specialise in cleaning family houses. The cleaners travel to each house as a team in the *Clever Cleaners* vehicle. *Clever Cleaners* take all of their cleaning equipment and supplies with them.

The following Trial Balance and additional information relate to *Clever Cleaners* for the year ended 31 March 2016.

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| --- | --- | --- | --- |
| *Clever Cleaners*  Trial Balance as at 31 March 2016 | | | |
|  | $ |  | $ |
| Advertising | 1 650 | Accumulated depreciation – cleaning equipment | 3 800 |
| Bank | 6 840 | Accumulated depreciation – office equipment | 2 450 |
| Cleaners’ mobile phone expenses | 1 800 | Accumulated depreciation – vehicle | 7 800 |
| Cleaners’ wages | 76 000 | Capital | 47 745 |
| Cleaning equipment | 18 700 | Cleaning fees received | 154 400 |
| Cleaning supplies on hand | 7 000 | GST payable | 3 400 |
| Cleaning supplies used | 4 560 | Interest received | 400 |
| Drawings | 21 000 | Loan (due 2024) | 35 000 |
| Electricity | 1 250 |  |  |
| General expenses | 3 200 |  |  |
| Insurance | 1 980 |  |  |
| Interest on loan | 1 715 |  |  |
| Office equipment | 16 500 |  |  |
| Office rent | 5 200 |  |  |
| Office wages | 25 000 |  |  |
| Repairs to cleaning equipment | 2 400 |  |  |
| Term Deposit | 14 000 |  |  |
| Vehicle expenses | 6 200 |  |  |
| Vehicle | 40 000 |  |  |
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|  |  |  |  |
|  | 254 995 |  | 254 995 |

**Additional Information**

* Cleaners’ mobile phone expenses of $280, excluding GST, have been paid in advance for the following year.
* Cleaners’ wages of $1 300 are owing on balance day.
* Interest on the term deposit of $90 is due to be received to *Clever Cleaners.*
* Invoice received on 31 March 2016 for the purchase of new cleaning equipment $2 024, including GST.
* Invoice issued to customers for cleaning fees are on hand, $2 783 including GST.
* Depreciation on cleaning equipment is $1 400 per annum.
* Depreciation on office equipment is 10% per annum on cost.
* Depreciation on vehicle is based on a residual value of $6 000 and an estimated useful life of 5 years.
* Insurance should be allocated 30% to the office and 70% to cleaning.