***Educating Young People Who Will Be***



***Significantly Different!***

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

**Level 1 Accounting, 2015**

**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 *Native Gardens’* **Income Statement** for the year ended 31 March 2015.

Classify the expenses as:

* Distribution Costs
* Administrative Expenses
* Finance Costs

Do NOT use abbreviations.

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| --- | --- | --- | --- |
| ***Native Gardens***  **Income Statement for the year ended 31 March 2015** | | | |
|  | $ | $ | $ |
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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

Refer to the Resource Booklet to answer this question.

Prepare *Native Gardens*’ **Statement of Financial Position** as at 31 March 2015 with accompanying note.

Do NOT use abbreviations.

|  |  |  |
| --- | --- | --- |
| ***Native Gardens***  **Statement of Financial Position as at 31 March 2015** | | |
|  | $ | $ |
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Note to the Statement of Financial Position

1. **Property, Plant and Equipment**

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| --- | --- | --- | --- | --- | --- |
|  | **Buildings** | **Garden Centre Fittings** | **Land** | **Office Equipment** | **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 *Native Gardens* for the month ended 30 June 2015. Identify a cash surplus or deficit by **circling** the appropriate word.

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

Estimated information for *Native Gardens* for the month ended 30 June 2015.

* *Native Gardens* expect to purchase new watering equipment for $4,000 by paying a 20% cash deposit
* Annual insurance of $480 is paid in monthly instalments by automatic payment
* Sales are estimated to be $12,000 for the month, with 25% on credit
* Depreciation on garden centre fittings is $100 per month
* *Native Gardens* has a term deposit of $15,000 which earns 3% interest per year, this annual receipt is due to be received in June
* Geraldine intends to take $300 worth of plants for gifts for her friends
* Staff wages of $780 per week are paid by automatic payment
* Loan payments of $260 and interest of $190 per fortnight are paid by direct debit
* Invoices for purchases of $4,400 are expected to be received this month
* $290 to be paid to accounts payable for purchases
* Geraldine withdraws $600 cash per month for personal use
* Dividends of $165 are due to be received in June
* *Native Gardens* are selling their old watering equipment which cost $800 for $300 cash
* Bank Balance as at 1 June 2015 was $320 **overdrawn**

**Space for working if required**

|  |  |  |
| --- | --- | --- |
| ***Native Gardens***  **Cash Budget for the month ended 30 June 2015** | | |
|  | $ | $ |
| **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** |  |  |