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



***Significantly Different!***

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

|  |
| --- |
| **RESOURCE BOOKLET** |

**Level 1 Accounting, 2015**

**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.**

*Native Gardens* is a garden centre owned by sole proprietor, Geraldine Taylor. The centre is located on the outskirts of Hamilton and specialises in selling native plants. They purchase their plants from local suppliers and employ two people to work in the shop and to keep the plants for sale looking good.

The following Trial Balance and additional information relate to *Native Gardens* for the year ended 31 March 2015.

|  |  |  |  |
| --- | --- | --- | --- |
| *Native Gardens*  Trial Balance as at 31 March 2015 | | | |
|  | $ |  | $ |
| Advertising | 2 350 | Accumulated depreciation - buildings | 22 000 |
| Bank | 4 450 | Accumulated depreciation – garden centre fittings | 7 500 |
| Buildings | 154 000 | Accumulated depreciation - office equipment | 1 300 |
| Drawings | 23 500 | Capital | 132 120 |
| Electricity | 2 240 | Dividends received | 600 |
| Freight in | 600 | GST payable | 4 480 |
| Garden centre fittings | 34 500 | Mortgage (due 2025) | 75 000 |
| Garden centre wages | 29 800 | Purchase returns | 1 470 |
| General expenses | 3 440 | Sales | 205 700 |
| Insurance | 1 800 |  |  |
| Interest on mortgage | 3 100 |  |  |
| Inventory (1 April 2014) | 12 540 |  |  |
| Land | 55 000 |  |  |
| Office equipment | 9 500 |  |  |
| Office wages | 33 000 |  |  |
| Purchases | 65 800 |  |  |
| Repairs to garden centre fittings | 1 150 |  |  |
| Shares in *Spark Ltd* | 11 000 |  |  |
| Telephone and internet | 2 400 |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  | 450 170 |  | 450 170 |

**Additional Information**

* Inventory on hand at 31 March 2015 $9 950
* Advertising of $450, excluding GST, has been paid in advance for the following year
* Interest on mortgage of $650 is due on balance day
* Dividends of $70 are due to be received
* Invoice on hand for purchases $713, including GST
* Invoice on hand for the purchase of new garden centre fittings $1 265, including GST
* Invoice on hand for sales of $1 610, including GST
* Depreciation on buildings is $6 160 per annum
* Depreciation on garden centre fittings is $1 500 per annum
* Depreciation on office equipment is based on a residual value of $1 400 and an estimated useful life of 5 years
* Insurance should be allocated 20% to the office and 80% to the garden centre