

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

**Level 1 Accounting, 2014**

**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 to answer the questions in this assessment.

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

**Note: A Statement of Financial Position is the same as a Balance Sheet.**

**Statement of Financial Position has been used in this assessment.**

TOTAL

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

**QUESTION ONE: INCOME STATEMENT**

Refer to the 1.3 **Resource Booklet** to answer this question.

Prepare *Kiwi Souvenirs*’ **Income Statement** for the year ended 31 March 2014.

Classify the expenses as:

* Distribution Costs
* Administrative Expenses
* Finance Costs

Do NOT use abbreviations.

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| ***Kiwi Souvenirs***  **Income Statement for the year ended 31 March 2014** | | | |
|  | $ | $ | $ |
| **Revenue** |  |  |  |
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| **Less: Cost of Goods Sold** |  |  |  |
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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

Refer to the 1.3 **Resource Booklet** to answer this question.

Prepare *Kiwi Souvenirs*’ **Statement of Financial Position** as at 31 March 2014 with accompanying note.

Do NOT use abbreviations.

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| --- | --- | --- | --- |
| ***Kiwi Souvenirs***  **Statement of Financial Position as at 31 March 2014** | | | |
|  | $ | $ | $ |
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Note to the Statement of Financial Position

1. **Property, Plant and Equipment**

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

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $1 240 per annum
* Office Equipment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is based on a residual value of \_\_\_\_\_\_\_\_\_\_\_\_\_ and an estimated useful life of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**QUESTION THREE: CASH BUDGET**

From the information provided below, prepare a **Cash Budget** for *Kiwi Souvenirs* for the month of May 2014. Identify a cash surplus or deficit by **circling** the appropriate word.

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

Estimated information for *Kiwi Souvenirs* for the month of May 2014.

* Bank Balance on 1 May 2014 is $3 545 in funds
* $600 in staff wages are paid by direct debit each week
* Depreciation on shop fittings is $180 per month
* Sales are $7 800 for May, 25% are on credit and will be received after May, the balance are cash sales
* Old office equipment which cost $500 will be sold for $300 cash
* Invoices from suppliers are $6 500 for purchases for the month, expect to pay 40% of these in May
* Andrew intends to donate inventory of $360 as prizes for the local community raffle
* Invoice of $1 400 is on hand for the purchase of new display cabinets, this will be paid during May
* Andrew’s cash drawings are regularly $500 per fortnight
* Interest is received on term deposit at $40 per month
* Automatic payment for shop rent is $250 per fortnight
* Advertising of $165 is due to be paid this month
* Andrew intends to contribute his personal computer of $600 to the business
* Direct debit for loan payment and interest is $345 per fortnight

**Space for working if required**

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| --- | --- | --- |
| ***Kiwi Souvenirs***  **Cash Budget for the month of May 2014** | | |
|  | $ | $ |
| **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** |  |  |