

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

**Level 1 Accounting, 2014**

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

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| **RESOURCE BOOKLET** |

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

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

*Kiwi Souvenirs* is owned by sole proprietor, Andrew Jones. *Kiwi Souvenirs* has two stores located in central Auckland.

The following Trial Balance and additional information relate to *Kiwi Souvenirs* for the year ended 31 March 2014.

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| --- | --- | --- | --- |
| *Kiwi Souvenirs*  Trial Balance as at 31 March 2014 | | | |
|  | $ |  | $ |
| Advertising | 6 400 | Accumulated Depreciation - Delivery Vehicles | 6 500 |
| Customs Duty | 7 200 | Accumulated Depreciation - Office Equipment | 3 680 |
| Delivery Vehicles | 28 500 | Accumulated Depreciation - Shop Fittings | 4 580 |
| Drawings | 7 150 | Bank | 950 |
| Electricity | 1 240 | Capital | 72 430 |
| Goodwill | 12 500 | Dividends Received | 940 |
| Insurance | 2 260 | GST Payable | 3 540 |
| Interest on loan | 2 130 | Loan (due 31 October 2021) | 35 500 |
| Inventory 1 April 2013 | 19 850 | Purchase Returns | 5 400 |
| Office Equipment | 12 400 | Sales | 214 300 |
| Office Expenses | 26 470 |  |  |
| Purchases | 98 500 |  |  |
| Sales Returns | 7 980 |  |  |
| Sales Staff Wages | 56 340 |  |  |
| Shares in *Mighty River Power Ltd* | 9 800 |  |  |
| Shop Fittings | 29 500 |  |  |
| Shop Rent | 19 600 |  |  |
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|  | 347 820 |  | 347 820 |

**Additional Information**

* Inventory on hand at 31 March 2014 $17 650
* Invoice on hand for purchase of inventory is $2 254, including GST
* Invoice on hand for the purchase of new Shop Fittings $3 312, including GST
* Invoice on hand for sales of $2 484, including GST
* Insurance of $380, excluding GST, has been paid for the following year
* Interest on loan of $220 is due on balance day
* Dividends of $110 are due to be received
* Depreciation on Office Equipment is 6% per annum straight line
* Depreciation on Shop Fittings is $1 240 per annum
* Depreciation on Delivery Vehicles is based on a residual value of $1 700 and an estimated useful life of 8 years
* Electricity should be allocated 30% to the office and 70% to the shop