

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

**Level 1 Accounting, 2013**

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

Credits: Five

| **Achievement Criteria** | | |
| --- | --- | --- |
| **Achievement** | **Achievement**  **with Merit** | **Achievement**  **with Excellence** |
| Demonstrate understanding of accounting concepts for small entities | Demonstrate in-depth understanding of accounting concepts for small entities | Demonstrate comprehensive understanding of accounting concepts for small entities |

You should answer ALL the questions in this booklet.

Additional space is provided at the end of the booklet should it be required.

**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 **Resource Booklet** to answer this question.

Prepare *Fabulous Photos’* **Income Statement** for the year ended 31 March 2013.

Classify the expenses as:

* Studio and Photography Expenses
* Administrative Expenses
* Finance Costs

Do NOT use abbreviations.

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| **Fabulous Photos**  **Income Statement**  **For the year ended 31 March 2013** | | | |
|  | $ NZ | $ NZ | $ NZ |
| **Revenue** |  |  |  |
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| **Add: Other Income** |  |  |  |
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| **Less: Expenses** |  |  |  |
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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

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

Prepare *Fabulous Photos’* **Statement of Financial Position** as at 31 March 2013 with accompanying note.

Do NOT use abbreviations.

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| --- | --- | --- | --- |
| **Fabulous Photos**  **Statement of Financial Position**  **As at 31 March 2013** | | | |
|  | $ NZ | $ NZ | $ NZ |
| **Current Assets** |  |  |  |
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| **Non-current Assets** |  |  |  |
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| **Current Liabilities** |  |  |  |
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| **Non-current Liabilities** |  |  |  |
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| **Equity** |  |  |  |
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Note to the Statement of Financial Position

1. **Property, Plant and Equipment**

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|  | Cameras and Equipment | Studio Fittings | Office Equipment | Total |
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Depreciation is calculated on a straight line basis at the following rates:

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $2 000 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 *Fabulous Photos* for the month of December 2013. Identify a cash surplus or deficit by **circling** the appropriate word.

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

Estimated information for *Fabulous Photos* for the month of December 2013.

* Bank Balance on 1 December 2013 is $645 overdrawn
* Direct debit for electricity $120 for the month
* Cash fees from clients $460 per week
* Invoices to customers for photo shoots $350 for the month, 20% are expected to pay in December
* Depreciation on photography equipment $240 per month
* Purchase of photography supplies $500 per fortnight
* $1 000 from sale of old cameras
* Studio rent is paid by cheque each week at $240
* Julie plans on taking $500 in photography supplies to use as presents for her family for Christmas
* Automatic payment for insurance is set at $135 per month
* Invoices received for supplies of $540 per fortnight
* Drawings of cash by Julie $80 per week for personal groceries
* Direct debit for loan and interest of $220 per week

**Space for working if required**

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| --- | --- | --- |
| **Fabulous Photos**  **Cash Budget**  **For the month of December 2013** | | |
|  | **$ NZ** | **$ NZ** |
| **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** |  |  |