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



***Significantly Different!***

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

**Level 1 Accounting, 2017**

**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

**QUESTION ONE: INCOME STATEMENT**

Refer to the Resource Booklet to answer this question.

On the next page, prepare a fully classified **Income Statement** for *Sam’s Stationery* for the year ended 31 March 2017.

Use the following expense headings:

* Distribution Costs
* Administrative Expenses
* Finance Costs

Do NOT use abbreviations.

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| ***Sam’s Stationery***  **Income Statement for the year ended 31 March 2017** | | | |
|  | **$** | **$** | **$** |
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**QUESTION TWO: STATEMENT OF FINANCIAL POSITION**

Refer to the Resource Booklet to answer this question.

Prepare a fully classified **Statement of Financial Position** with accompanying note for*Sam’s Stationery* as at 31 March 2017.

Do NOT use abbreviations.

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| ***Sam’s Stationery***  **Statement of Financial Position as at 31 March 2017** | | | |
|  | **$** | **$** | **$** |
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Note to the Statement of Financial Position

1. **Property, Plant and Equipment**

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| --- | --- | --- | --- | --- |
|  |  |  |  | **Total** |
|  | **$** | **$** | **$** | **$** |
| Cost |  |  |  |  |
| Accumulated Depreciation |  |  |  |  |
| Carrying Amount |  |  |  |  |

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 the **Cash Budget** for *Sam’s Stationery* for the month ended 31 May 2017.

Clearly state if there is a **surplus** or **deficit** in the budget.

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

Estimated information for 31 May 2017:

* Invoices to be sent to trade customers for sales, $3 600
* Dividends to be received by direct credit, $275
* Online banking payment for insurance, $450
* Wages paid by automatic payments, $1 200 per week
* Purchases to be paid, $9 000
* Cash sales are, on average, $5 050 per week
* Advertising paid by direct debit, $300
* Invoice to be received from suppliers, $8 000
* Sam will take home some stationery items to use at home, cost $145
* Delivery van to be purchased, costing $16 000, 40% deposit to be paid and the rest on credit
* Mortgage repayments and interest are $750 per fortnight
* Depreciation on office equipment is $2400 per year
* Shares in *The Warehouse* to be sold, $7 000
* Cash drawings, $250 per week
* Shop expenses paid using the business eftpos card, $750 per week
* Bank balance at 1 May 2017, $560.

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| ***Sam’s Stationery***  **Cash Budget for the month ended 31 May 2017** | | |
|  | **$** | **$** |
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