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



***Significantly Different!***

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

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| **RESOURCE BOOKLET** |

**Level 1 Accounting, 2017**

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

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

**PLEASE HAND IN THIS BOOKLET AT THE END OF THE EXAMINATION.**

Sam owns a store that sells stationery in Christchurch. The shop is called *Sam’s Stationery.*

The following Trial Balance and additional information relate to *Sam’s Stationery* for the year ended 31 March 2017.

|  |  |  |  |
| --- | --- | --- | --- |
| *Sam’s Stationery*  Trial Balance as at 31 March 2017 | | | |
|  | $ |  | $ |
| Accountancy fees | 1 400 | Accumulated depreciation on office equipment | 3 600 |
| Advertising | 2 250 | Accumulated depreciation on shop fittings | 9 645 |
| Courier and delivery fees | 11 600 | Bank | 1 650 |
| Drawings | 52 000 | Capital | 97 665 |
| Electricity | 2 500 | Dividends received | 550 |
| Freight inwards | 2 100 | GST | 7 800 |
| General office expenses | 1 500 | Interest received | 400 |
| Goodwill | 18 700 | Mortgage (due 2024) | 155 000 |
| Interest on mortgage | 8 525 | Purchase returns | 2 080 |
| Inventory 1 April 2016 | 52 840 | Sales | 307 500 |
| Land and buildings | 200 000 |  |  |
| Purchases | 104 000 |  |  |
| Office equipment | 12 500 |  |  |
| Office salaries | 26 200 |  |  |
| Sales returns | 12 400 |  |  |
| Shares in The Warehouse | 14 000 |  |  |
| Shop fittings | 22 995 |  |  |
| Shop Insurance | 5 200 |  |  |
| Shop security | 1 980 |  |  |
| Shop wages | 33 200 |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  | 585 890 |  | 585 890 |

**Additional Information**

* Inventory 31 March 2017, $55 670.
* Advertising has been paid in advance, $250 excluding GST.
* Dividends of $275 are owing to *Sam’s Stationery*.
* Office salaries owing, $150.
* The electricity is 75% shop and 25% office.
* Invoice received on 31 March 2017 for purchases, $2 070 including GST.
* Invoices issued to customers for sales are on hand, $1 265 including GST.
* Depreciation on office equipment is $2 400 per year.
* Depreciation on the shop fittings is based on a useful life of 7 years and a residual value of $490.