

90221



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA



National Certificate of Educational Achievement
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

Level 2 Accounting, 2004

90221 Process financial information for
fixed assets and balance-day adjustments

Credits: Two
2.00 pm Wednesday 17 November 2004

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

Pull out the RESOURCE BOOKLET from the centre of this booklet to answer Question One.

You should answer ALL the questions in this booklet.

If you need more space for any answer, use the pages provided at the back of this booklet and clearly number the question.

Check that this booklet has pages 2–7 in the correct order and that none of these pages is blank.

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

Achievement Criteria		For Assessor's use only	
Achievement		Achievement with Merit	Achievement with Excellence
Prepare straightforward accounting entries correctly.	<input type="checkbox"/>	Prepare the majority of straightforward and complex accounting entries correctly.	<input type="checkbox"/>
Overall Level of Performance		<input type="checkbox"/>	

You are advised to spend 20 minutes answering the questions in this booklet.

Assessor's
use only

QUESTION ONE: Balance Day Entries

Refer to the RESOURCE BOOKLET to answer this question.

Use the relevant information from the **Trial Balance and additional information** to prepare the following balance day adjustments in *Okura Tours' General Journal and General Ledger*.

Narrations are not required in the General Journal entries.
Do not abbreviate account names.

- (a) Show the **General Journal** entry to record: insurance of \$80 excluding GST is prepaid.

General Journal			
31/3/04			

- (b) Show the **General Journal** entry to record: tour revenue of \$200 excluding GST has been received in advance.

General Journal			
31/3/04			

- (c) Show the **General Journal** entry to record: a bad debt of \$900 including GST is to be written off.

General Journal			
31/3/04			

- (d) Show the **General Journal** entry to record: allowance for Doubtful Debts is to be adjusted to 2% of Accounts Receivable.

General Journal			
31/3/04			

- (e) Show the Accumulated Depreciation on Tour Vans account in the **General Ledger** as it would appear at 31 March 2004.

General Ledger
Accumulated Depreciation Tour Vans

1/04/03	Balance			13 000	CR

- (f) Show the Interest on Loan account as it would appear in the **General Ledger** at 31 March 2004 after recording the:
- interest owing at 31 March 2004
 - closing entry on 31 March 2004.

General Ledger
Interest On Loan

31/3/04	Balance			720	DR

- (g) Show the **General Journal** reversal entry required on 1 April 2004 in regard to the Interest on Loan Account.

General Journal

31/3/04			

QUESTION TWO: Fixed Assets

Whangamata Fishing is a small charter fishing business owned by James Fleming.

On 30 September 2004, James traded in his old fishing boat to Morrinsville Marine for a new boat costing \$90 000 including GST.

Do not abbreviate account names.

- (a) Show the General Journal entry to record the purchase of the **new** fishing boat from Morrinsville Marine for \$90 000 including GST.

General Journal

30/9/04			

The **old** fishing boat was originally purchased on 1 April 2001, at a cost of \$45 000 including GST, and had been depreciated using the **Units of Use Method**. The fishing boat had an estimated useful life of 80 000 km and a residual value of \$10 000 excluding GST.

The trade-in allowance on the **old** fishing boat was \$22 500 including GST.

Whangamata Fishing's balance date is 31 March.

- (b) Complete the table below to show the depreciation expense for each year Whangamata Fishing owned the **old** fishing boat.

Year ended	Kilometres used	Depreciation Expense
31/3/02	10 000	
31/3/03	20 000	
31/3/04	20 000	
30/9/04	18 000	
TOTAL		

- (c) Record the disposal of the **old** fishing boat in the following **General Ledger Account**. The first entry has been done for you.

Assessor's
use only

Whangamata Fishing General Ledger

Disposal Of Fishing Boat (Asset)					
30/9/04	Fishing Boat	40 000		40 000	DR

- (d) Show the **General Journal** entry to record the transfer of the loss/gain on disposal to the financial performance summary.

Whangamata Fishing General Journal

30/9/04			

- (e) Show the Fishing Boat **General Ledger** account after the purchase of the new fishing boat from *Morrinsville Marine*.

Whangamata Fishing General Ledger

Fishing Boat					
31/3/04	Balance			40 000	DR
30/9/04	Disposal of Fishing Boat		40 000	0	

[illegible]

[illegible]