

90221R



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**

RESOURCE BOOKLET

Credits: Two
2.00 pm Wednesday 17 November 2004

Refer to this booklet to answer Question One for Accounting 90221.

Check that this booklet has page 2, and that it is not blank.

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

RESOURCES

Kura Tuuta owns *Okura Tours*, a business specialising in ecology-friendly tours for small groups to remote locations on the West Coast of the South Island.

The following is an extract from the Trial Balance of *Okura Tours*.

Okura Tours
Trial Balance (extract) as at 31 March 2004

Interest on Loan	720	
Accounts Receivable	19 000	
Bad Debts	100	
Insurance	4 100	
Tour Vans	40 000	
Accumulated Depreciation		
–Tour Vans		13 000
Allowance for Doubtful Debts		400
Accounts Payable		4 300
GST		1 420
Loan (6% due 2008)		16 000
Tour Revenue Received		78 800

Additional Information:

- Insurance of \$80 excluding GST is prepaid.
- Tour revenue of \$200 excluding GST has been received in advance.
- A bad debt of \$900 including GST is to be written off.
- The Allowance for Doubtful Debts is to be adjusted to 2% of Accounts Receivable.
- Depreciation on Tour Vans is 20% diminishing value.
- Three months' interest is owing on the loan at 6% per annum flat rate.

