

Pearson LCCI

Monday 3 December 2018

Time: 3 hours

Paper Reference **ASE20091**

Certificate in Bookkeeping (VRQ)

Level 1

Please check the examination details above before entering your candidate information

Candidate name

Centre Code

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Candidate Number

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Candidate ID Number

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You will need:

Resource booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen
– pencil can only be used for graphs, charts, diagrams, etc.
- **Fill in the boxes** at the top of this page with your name, candidate number, centre code and your candidate ID number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– there may be more space than you need.
- Answers should be given to an appropriate degree of accuracy.

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
– use this as a guide as to how much time to spend on each question.
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- You are advised to show your workings.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

You will need to use the data on **page 2** of the Resource Booklet to answer parts (a) and (b).

1 (a) Prepare the following invoices.

(i)

(3)

Padraig 190 High Street, London WC1 1AA		Invoice	
Customer: Olive		Invoice No: 0101 Date: 4 October 2018	
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			

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(ii)

(3)

Padraig 190 High Street, London WC1 1AA		Invoice	
Customer: Bluto		Invoice No: 0102	Date: 10 October 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			

(iii)

(4)

Padraig 190 High Street, London WC1 1AA		Invoice	
Customer: Segar		Invoice No: 0103	Date: 22 October 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			



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(b) Prepare the following accounts for the month of October 2018. Balance the accounts on 31 October 2018 and bring the balances down on 1 November 2018.

(i)

Bluto Account

(4)

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(ii)

Olive Account

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(iii)

Segar Account

(3)

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(Total for Question 1 = 22 marks)

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2 (a) State **one** use of the journal.

(1)

(b) Which document is issued by a business when goods are returned?

(1)

- A** Credit note
- B** Purchase invoice
- C** Remittance advice
- D** Sales invoice

(c) Calculate, for the month of November, the gross pay and net pay for each employee.

(6)

Employee	Pay details	Gross pay \$	Deductions \$	Net pay \$
Barney	Annual salary \$18 000		220	
Betty	Paid \$10 for each unit produced. During November she produced 135 units.		195	
Wilma	Paid \$8 for each unit produced and a bonus of \$4 for each unit produced in excess of 100 units. During November she produced 125 units.		185	

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Sylvia provided the following balances at 31 October 2018.

(d) Prepare Sylvia's trial balance showing the drawings figure.

(12)

Account	Balances \$	Sylvia Trial balance at 31 October 2018	
		Debit \$	Credit \$
Bank overdraft	7 250		
Carriage inwards	3 520		
Carriage outwards	4 590		
Cash in hand	750		
Drawings	To be calculated		
Equity at 1 November 2017	195 650		
General expenses	135 025		
Inventory at 1 November 2017	48 870		
Irrecoverable debts	2 525		
Non-current assets – cost	60 000		
– accumulated depreciation	26 250		
Purchases	241 355		
Rent and rates	36 000		
Rental income	7 500		
Returns inwards	7 635		
Returns outwards	3 245		
Revenue	481 625		
Sundry expenses	8 635		
Trade payables ledger control	53 985		
Trade receivables ledger control	88 350		
Wages and salaries	63 250		
Total			

(Total for Question 2 = 20 marks)



You will need to use the data on **pages 4 and 5** of the Resource Booklet to answer parts (a), (d) and (e).

- 3** (a) Prepare the corrected trade payables ledger control account for the period ended 31 August 2018. Balance the account on that date and bring the balance down on 1 September 2018.

(7)

Trade Payables Ledger Control Account

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- (b) Identify which item would appear on the debit side of a trade receivables ledger control account.

(1)

- A** Cash sales
- B** Credit sales
- C** Discount allowed
- D** Discount received

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(c) Identify which statement defines the consistency concept.

(1)

- A Business and owner's affairs are treated separately
- B Business continues for the foreseeable future
- C Business always uses the same method of depreciation
- D Business does not overstate its profits

(d) Calculate the amount to be shown as:

(i) capital expenditure

(4)

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(ii) revenue expenditure.

(4)

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Tu depreciates his motor vehicles at 20% per annum using the reducing (diminishing) balance method, with a full year's depreciation being charged in the year of purchase.

(e) Calculate the depreciation charge on the new motor vehicle:

(2)

year ended 31 August 2018

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year ending 31 August 2019.

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(Total for Question 3 = 19 marks)

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4 (a) Complete the table to show **each** type of error and the entries to correct **each** error.

(12)

Error	Type of error	Account to be debited	Account to be credited
A payment for motor expenses had been posted to the motor vehicles account.			
A receipt by cheque from Maughan had been posted to the account of Vaughan.			
Cash sales had been entered on the debit side of the sales account and the credit side of the cash account.			
A payment by cheque to a credit supplier had not been entered in the books.			

On 21 October 2018 Joe's bank account showed a balance of \$2 768 Dr.

The following transactions took place during the week ended 31 October 2018.

October 2018	Transaction
24	A credit transfer of \$130 received from Shapiro.
26	A payment of \$125 by cheque to George.
28	A direct debit of \$43 for car insurance was paid.
29	Paid bank charges of \$23
30	A standing order of \$80 for electricity was paid.
31	Cash banked \$1 050

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(b) Prepare the bank account for the period ended 31 October 2018. Balance the account at that date and bring the balance down on 1 November 2018.

(7)

Bank Account

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(c) State, indicating with a tick (✓), the effect on the bank balance of each transaction.

(2)

Transaction	Increase	Decrease	No effect
Payment to petty cashier.			
Writing off an irrecoverable debt.			

(Total for Question 4 = 21 marks)

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You will need to use the data on **page 7** of the Resource Booklet to answer part (a).

5 (a) Prepare the statement of financial position at 30 September 2018.

(12)

Vincent – Statement of financial position at 30 September 2018

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(b) Explain **one** reason why Vincent chose the reducing (diminishing) balance method of depreciation for motor vehicles.

(2)

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(c) Explain **one** reason why it was necessary to account for other receivables and other payables.

(2)

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(d) Explain **one** reason why Vincent's equity may decrease despite making a profit.

(2)

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(Total for Question 5 = 18 marks)

TOTAL FOR PAPER = 100 MARKS





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