

**Pearson LCCI**

**Tuesday 13 November 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 pages 2 and 3 of the Resource Booklet to answer parts (a) and (b).

1 (a) Prepare the following documents.

(i)

(5)

Chris		Invoice	
12 Stratford Street, Edinburgh E13 9HB		Invoice No:	1558
Customer: Antrea		Date:	17 September 2018
Quantity	Description	Unit Cost \$	Total Cost \$
<b>Subtotal</b>			
<b>Trade Discount</b>			
<b>Total</b>			

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(ii)

(4)

<b>Chris</b> 12 Stratford Street, Edinburgh E13 9HB		<b>Invoice</b>	
<b>Customer:</b> Sergia		Invoice No: 1559	Date: 19 September 2018
Quantity	Description	Unit Cost \$	Total Cost \$
<b>Subtotal</b>			
<b>Trade Discount</b>			
<b>Total</b>			

(iii)

(4)

<b>Chris</b> 12 Stratford Street, Edinburgh E13 9HB		<b>Credit note</b>	
<b>Customer:</b> Antrea		Credit Note No: 704	Date: 22 September 2018
Quantity	Description	Unit Cost \$	Total Cost \$
<b>Subtotal</b>			
<b>Trade Discount</b>			
<b>Total</b>			
<b>Reason for return:</b>			



(b) Prepare the following accounts for the month of September 2018. Balance the accounts on 30 September 2018 and bring the balances down on 1 October 2018.

(i) **Lim Account** (5)

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(ii) **Savvas Account** (3)

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**(Total for Question 1 = 21 marks)**

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You will need to use the data on **page 4** of the Resource Booklet to answer parts (a) and (b).

- 2 (a) Prepare the cash book for the week ending 30 September 2018. Balance the cash book on this date and bring the balances down on 1 October 2018.

(12)

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(b) Prepare Lampros's bank reconciliation statement at 30 September 2018.

(5)

<b>Lampros</b>		
<b>Bank Reconciliation Statement at 30 September 2018</b>		
	<b>\$</b>	<b>\$</b>
Balance per bank statement		
Balance per updated cash book		

(c) Identify what a credit balance in the bank account of a business represents.

(1)

- A** Bank loan
- B** Bank overdraft
- C** Cash at bank
- D** Cash in hand

**(Total for Question 2 = 18 marks)**

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3 (a) Identify the book of original entry where returns inwards are recorded.

(1)

- A Purchase book
- B Purchase returns book
- C Sales book
- D Sales returns book

Rupert provided the following balances at 31 August 2018.

(b) Prepare the trial balance.

(8)

Account	Balances \$	Rupert	
		Trial balance at 31 August 2018	
		Debit \$	Credit \$
Bank	6 846		
Bank loan	15 000		
Carriage outwards	2 393		
Drawings	44 790		
General expenses	14 750		
Opening equity	54 000		
Opening inventory	34 900		
Purchases	155 555		
Rent	15 800		
Returns inwards	699		
Revenue	244 222		
Trade payables ledger control	37 885		
Trade receivables ledger control	72 114		
Wages	3 260		
Total			



Rupert's gross profit was \$83 068.

(c) (i) Calculate Rupert's profit for the year ended 31 August 2018.

(3)

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(ii) Prepare the equity account for the year ended 31 August 2018.  
Balance the account on 31 August 2018 and bring the balance down  
on 1 September 2018.

(4)

**Equity Account**

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(d) (i) State the type of error made in each scenario.

(3)

Scenario	Type of error
The purchase of non-current assets had been recorded in the purchases account.	
A receipt from Dom had been entered in the account of Tom.	
Wages paid had not been recorded in the cash book.	

(ii) Explain the effect on the trial balance of the purchase of non-current assets being recorded in the purchases account.

(2)

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**(Total for Question 3 = 21 marks)**





(c) (i) Prepare the sales account for the year ended 30 September 2018.

**Sales Account**

(3)

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(ii) Identify where the sales account will appear.

(1)

- A General journal
- B General ledger
- C Trade payables ledger
- D Trade receivables ledger

(d) Identify the reason for offering cash discount.

(1)

- A To encourage bulk buying
- B To encourage prompt payment
- C To gain new customers
- D To reward loyalty

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At 1 October 2018 Felix, a customer, owed \$1 075 to Percy. At this date Percy also owed Felix \$380 for goods supplied.

(e) Prepare the journal entry to record the offset of the amount owed to Felix. **A narrative is required.**

(3)

Date	Account	Debit \$	Credit \$
1 October 2018			

(f) Explain **one** reason why a business prepares statements of account.

(2)

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**(Total for Question 4 = 20 marks)**

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You will need to use the data on **page 7** of the Resource Booklet to answer parts (b), (d) and (e).

5 (a) Identify the book of original entry where the purchase of non-current assets on credit are recorded. (1)

- A Cash book
- B Journal
- C Purchase book
- D Sales book

(b) Complete the table at 30 September 2018 for both types of non-current asset. (6)

Non-current asset	Cost \$	Depreciation charge for the year \$	Accumulated depreciation \$
Fixtures and fittings			
Motor vehicles			

(c) Explain **one** reason why a business may use the reducing balance method to depreciate their motor vehicles. (2)

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(d) Calculate the adjusted profit for the year ended 30 September 2018. (1)

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