

Pearson LCCI

Monday 3 September 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 (c) and (d).

1 (a) Identify the document issued when goods are returned. (1)

- A Credit note
- B Purchase invoice
- C Receipt
- D Statement of account

(b) Identify the double entry to record goods sold for cash. (1)

Account to be debited	Account to be credited
<input type="checkbox"/> A Cash	Sales
<input type="checkbox"/> B Cash	Purchases
<input type="checkbox"/> C Purchases	Cash
<input type="checkbox"/> D Sales	Cash

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(c) Prepare the following documents.

(i)

(4)

Bob 1 Windsor High Street, SL4 1AB		Invoice	
Customer: Bertram		Invoice number	1066
		Date	3 June 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			
Terms of trade: 30 days net			

(ii)

(5)

Bob 1 Windsor High Street, SL4 1AB		Invoice	
Customer: Della		Invoice number	1067
		Date	25 June 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			
Terms of trade: 30 days net			



(iii)

(3)

Bob 1 Windsor High Street, SL4 1AB		Invoice	
Customer: Ephraim		Invoice number	1068
		Date	26 June 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			
Terms of trade: 30 days net			

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(d) Prepare the following accounts for the month of June 2018. Balance the accounts on 30 June 2018 and bring the balances down on 1 July 2018.

(i)

Bertram Account

(3)

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(ii)

Della Account

(4)

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(Total for Question 1 = 21 marks)

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You will need to use the data on **page 3** of the Resource Booklet to answer parts (b) and (c).

2 (a) State **two** reasons why a business maintains both a cash book and a petty cash book.

(2)

1

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2

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(b) Prepare the petty cash book for the week ending 7 May 2018. Balance the book on 7 May 2018, bring the balance down on 8 May 2018 and restore the imprest amount.

(8)

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Petty Cash Book

Receipts \$	Date	Details	Voucher number	Total \$	Postage \$	Travel \$	Refreshments \$



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Turn over

(c) Calculate for May 2018 the gross pay and net pay for **each** employee.

(6)

Employee	Gross pay \$	Deductions \$	Net pay \$
Peter		100	
Querioz		96	
Ricardo		86	

(d) Explain to Rachel **one** advantage of paying her staff by credit transfer rather than in cash.

(2)

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(Total for Question 2 = 18 marks)

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3 (a) Identify the book of original entry where irrecoverable debts are recorded.

(1)

- A Cash book
- B Journal
- C Returns inwards day book
- D Returns outwards day book

(b) Identify the book of original entry where returns from credit customers are recorded.

(1)

- A Cash book
- B Journal
- C Returns inwards day book
- D Returns outwards day book

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Umberto provided the following balances at 31 July 2018.

(c) Prepare the trial balance at 31 July 2018 showing the drawings figure for the year.

(10)

Account	Balances \$	Umberto Trial balance at 31 July 2018	
		Debit \$	Credit \$
Bank overdraft	3 800		
Carriage inwards	2 450		
Drawings	To be calculated		
Equity at 1 August 2017	127 850		
General expenses	86 745		
Inventory at 1 August 2017	19 860		
Irrecoverable debts	750		
Non-current assets – cost	48 000		
Non-current assets – accumulated depreciation	13 320		
Purchases	134 520		
Rent	15 000		
Returns inwards	2 655		
Returns outwards	1 390		
Revenue	286 595		
Trade payables ledger control	26 840		
Trade receivables ledger control	49 455		
Wages and salaries	33 650		
Total			

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During the year ended 31 July 2018 Umberto made a profit of \$19 355

- (d) Prepare the equity account for the year ended 31 July 2018. Balance the account on that date and bring the balance down on 1 August 2018.

(4)

Equity Account

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- (e) State in which ledger the trade payables ledger control account is kept.

(1)

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- (f) Explain **one** reason why Umberto maintains a trade payables ledger control account.

(2)

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(Total for Question 3 = 19 marks)

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

- 4 (a) Prepare a journal entry to record the opening entries. A narrative **is** required. (6)

Date	Account	Debit \$	Credit \$
1 July 2018			

- (b) Prepare journal entries to correct the errors. Narratives **are** required. (6)

Date	Account	Debit \$	Credit \$
31 July 2018			

- (c) State **one** use of the journal other than recording opening transactions and correction of errors. (1)

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(d) State the main purpose of a bank reconciliation statement.

(1)

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(e) Calculate the updated cash book balance at 31 July 2018.

(2)

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(f) Prepare a bank reconciliation statement at 31 July 2018.

(5)

Boris		
Bank reconciliation statement at 31 July 2018		
	\$	\$
Balance per updated cash book		
Balance per bank statement		

(Total for Question 4 = 21 marks)

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You will need to use the data on **page 5** of the Resource Booklet to answer parts (c) and (d).

5 (a) Explain how capital expenditure is treated in the financial statements. (2)

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(b) Identify the effect of treating an item of capital expenditure as revenue expenditure. (1)

- A** Gross profit will be overstated.
- B** Gross profit will be understated.
- C** Profit for the year will be overstated.
- D** Profit for the year will be understated.

(c) (i) Calculate the **total** depreciation charge for the year ended 31 May 2018. (2)

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(ii) Calculate the carrying value for **both** types of non-current asset at 31 May 2018. (4)

Plant and equipment

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Motor vehicles

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