

Pearson LCCI

Monday 14 January 2019

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 (b), (c) and (d).

1 (a) Identify where a credit note issued would be recorded. (1)

- A** Purchases day book
- B** Returns inwards day book
- C** Returns outwards day book
- D** Sales day book

(b) Prepare the following documents. (8)

Donald 15 Lower Street, Ashington, AS1 1ZZ		Invoice	
Customer: Barack		Number: 742	
		Date: 7 November 2018	
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			

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Donald 15 Lower Street, Ashington, AS1 1ZZ		Credit note	
Customer: Barack		Number: 048	Date: 14 November 2018
Quantity	Description	Unit cost \$	Total cost \$
Subtotal			
Trade discount			
Total			

(c) (i) Calculate the amount of early settlement discount Barack may receive.

(2)

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(ii) Prepare the account of Barack for the month of November 2018.

Barack Account

(5)

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(d) Prepare the trade receivables ledger control account for the year ended 30 November 2018.

(6)

Trade Receivables Ledger Control Account

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(Total for Question 1 = 22 marks)

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You will need to use the data on **pages 3 and 4** of the Resource Booklet to answer parts (a) and (b).

2 (a) Prepare the following accounts for the month of December 2018.

(i)

(5)

Rialto Supplies Account

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(ii)

(3)

Clean-It Account

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(iii)

(5)

Mayor Parts Account

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(b) Prepare the ledger accounts to record this discount in the books of:

(i) Ern

(2)

Discount Allowed Account

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.....

(ii) Herbert

(2)

Discount Received Account

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.....

(iii) Explain **one** reason why Ern offers this discount.

(2)

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(c) Identify, indicating with a tick (✓), the type of transaction.

(2)

	Taking out a bank loan	Paying interest on a bank loan
Capital expenditure		
Revenue expenditure		
Capital receipt		
Revenue receipt		

(Total for Question 2 = 21 marks)

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

3 (a) Prepare the main cash book for the month of November 2018.

(12)

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Cash Book

Date	Details	Discount	Cash	Bank	Date	Details	Discount	Cash	Bank
Nov		\$	\$	\$	Nov		\$	\$	\$



(b) (i) Calculate the amount of money required to restore the imprest on 30 November 2018.

(1)

.....
.....

(ii) Complete the cheque to restore the imprest on 30 November 2018.

(2)

South Bank		10-00-03	
High Street, Sheffield		Date 30 Nov 2018	
Pay.....		\$ <input type="text"/>	
.....			
.....			
Cheque No:	Sort Code:	Account No:	Harrun Trading
0001451	10-00-03	12345678	

(c) State **one** reason why the balance in the petty cash book may not match the amount of money in the petty cash box.

(1)

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(d) Identify where the balance of petty cash would be shown in the statement of financial position.

(1)

- A Current assets
- B Current liabilities
- C Non-current assets
- D Non-current liabilities

(e) Identify which accounting concept is being described in the statement 'the business will continue in existence for the foreseeable future.'

(1)

- A Business entity
- B Consistency
- C Going concern
- D Prudence

(Total for Question 3 = 18 marks)



On 15 December 2018 Leo's trial balance balanced. The following errors were subsequently discovered.

- 4 (a) (i) Identify the type of error and the accounts to be debited and credited to correct **each** error.

The first error has been completed as an example.

(9)

	Error	Type	Account to be debited	Account to be credited
1	A credit sale has been overstated.	Original entry	Sales	Trade receivables ledger control
2	Purchase of a motor vehicle entered in motor expenses.			
3	A cheque payment for motor insurance had not been recorded.			
4	A receipt from Wong had been posted to Tong's account.			

- (ii) Explain **one** reason why Leo's trial balance balanced even though errors were made.

(2)

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- (iii) Explain how **Error 2** will affect the financial statements for the year ended 31 December 2018.

(2)

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(b) State **one** difference between a standing order and a direct debit.

(1)

On 31 December 2018 Leo received a bank statement. On this date the cash book showed a balance of \$3 600 Dr.

He identified that the following items had not been processed by the bank.

- A payment to Taurus by cheque, \$289
- Takings deposited by Leo, \$168

The bank had recorded a credit transfer of \$340 as \$430

(c) Prepare the bank reconciliation statement at 31 December 2018.

(5)

Leo – bank reconciliation statement at 31 December 2018		
	\$	\$
Balance per cash book		
Balance per bank statement		

(Total for Question 4 = 19 marks)



(c) Prepare an extract of the statement of financial position at 31 October 2018 showing the **non-current assets** section only.

(6)

Giorgio
Statement of financial position at 31 October 2018

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(Total for Question 5 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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