

Pearson LCCI

Monday 4 March 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 must have:

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 ☒.

1 (a) Identify which **one** of the following would normally have a debit balance. (1)

- A Capital
- B Expenses
- C Income
- D Loan

(b) Identify the document sent when payment is made. (1)

- A Credit note
- B Invoice
- C Receipt
- D Remittance advice

Mei sells goods on credit to Bo. On 1 January 2019 Bo owed \$1 610

During January 2019 the following transactions took place between them.

January 2019	Transaction
4	Sold goods \$1 100
8	Returned goods \$185
10	Cheque received \$1 610
21	Sold goods \$725

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(c) Prepare the account of Bo for the month of January 2019.

(6)

Bo Account

Date	Details	\$	Date	Details	\$

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(d) Prepare the statement of account for Bo at 31 January 2019.

(6)

<p>Mei 7 Parsons Drive Nottingham NG10 1RH</p>				
Bo Plant Way Derby DY1 234	Date 31 January 2019			
Statement of account				
Date	Reference	Debit \$	Credit \$	Balance \$
1 January	Balance			1 610.00
Amount due				
<i>Please make all cheques payable to Mei</i>				

(e) Complete the following sentence by filling in the missing words.

(4)

An **early payment discount** taken by a credit customer is recorded on
the side of the book and is shown
as discount in the statement of

(Total for Question 1 = 18 marks)

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QUESTION 2 STARTS ON THE NEXT PAGE



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

2 (a) (i) Complete the following document.

(4)

Hera Long Park, Birmingham B11 3JC		Credit note	
Customer: Ino		Number	704
		Date:	24 January 2019
Quantity	Description	Unit cost \$	Total cost \$
8	1 kg Flour	2.50
2	Jugs	24.00
.....	Bowls	8.00	40.00
Total		
Reason for return: <i>Goods faulty</i>			

(ii) Identify the book of original entry used by **Ino** to record the credit note.

(1)

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

(b) State in which ledger the trade receivables ledger control account is kept.

(1)

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(c) Prepare the trade receivables ledger control account for the month of January 2019.

Trade Receivables Ledger Control Account

(10)

Date	Details	\$	Date	Details	\$

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(d) Explain **one** reason why Hera made a transfer from the receivables ledger to the payables ledger.

(2)

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(e) Calculate the net revenue for the month of January 2019, to be shown in the financial statements.

(3)

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(Total for Question 2 = 21 marks)

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QUESTION 3 STARTS ON THE NEXT PAGE



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

3 (a) Prepare a trial balance at 28 February 2019.

(10)

Trial balance at 28 February 2019			
Account	Balance	Debit	Credit
		\$	\$
Bank overdraft	695		
Carriage inwards	510		
Carriage outwards	1 025		
Depreciation charge	4 000		
Drawings	27 236		
Equity at 1 March 2018	62 500		
General expenses	11 330		
Interest received	1 020		
Inventory at 1 March 2018	18 000		
Plant and machinery			
– cost	86 200		
– accumulated depreciation	41 200		
Purchases	37 194		
Returns inwards	1 600		
Returns outwards	2 120		
Revenue	101 300		
Trade payables ledger control	8 900		
Trade receivables ledger control	12 240		
Wages	18 400		
Total			

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(b) Update the cash book on 28 February 2019.

(6)

Cash book (Bank column only)

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(c) Prepare the bank reconciliation statement at 28 February 2019.

(6)

Danny		
Bank reconciliation statement at 28 February 2019		
	\$	\$
Balance per updated cash book		
Balance per bank statement		

(Total for Question 3 = 22 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).

4 (a) Calculate the amount of:

(i) capital expenditure

(2)

(ii) revenue expenditure.

(2)

On 1 December 2018 Jason had the following balances in his accounts.

Account	\$
Machinery	20 000
Machinery expenses	2 000

On 23 January 2019 Jason paid the Machinery Supply Company in full.

(b) Prepare the accounts on **pages 13, 14 and 15** to record the purchase of the new machinery.

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(i)

Machinery Account

(3)

Date	Details	\$	Date	Details	\$

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(ii)

Machinery Expenses Account

(3)

Date	Details	\$	Date	Details	\$

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(iii)

Machinery Supply Company Account

(3)

Date	Details	\$	Date	Details	\$

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(c) Explain **one** reason why it was necessary to divide the expenditure between capital expenditure and revenue expenditure.

(2)

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(d) Explain the effect on the financial statements of this transaction.

(2)

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(e) Identify the accounting concept that Jason has **not** applied by recording the purchase of a motor vehicle for private use in the motor vehicle account.

(1)

- A** Accruals
- B** Business entity
- C** Consistency
- D** Prudence

(Total for Question 4 = 18 marks)

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QUESTION 5 BEGINS ON THE NEXT PAGE



You will need to use the data on **page 6** of the Resource Booklet to answer parts (b) and (c).

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 day book
- D Purchase returns day book

(b) Complete the table at 30 November 2018 for **both** types of non-current asset. (8)

Non-current asset	Depreciation method	Cost	Depreciation charge for the year	Accumulated depreciation	Carrying value
		\$	\$	\$	\$
Motor vehicles	20% per annum reducing (diminishing) balance				
Office equipment	15% per annum straight line				

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(c) Prepare the statement of financial position at 30 November 2018.

(12)

**Kylie
Statement of financial position at 30 November 2018**

Area with horizontal dotted lines for writing the statement of financial position.

(Total for Question 5 = 21 marks)

TOTAL FOR PAPER = 100 MARKS

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