Pearson LCCI

Thursday 12 November 2020

Time: 3 hours	Paper Reference **ASE20091**

Certificate in Bookkeeping (VRQ)
Level 1

Please check the examination details above before entering your learner information

Learner name

Centre/Learning Provider ID

L P -

Pearson Learner ID

L -

Learner National/Passport ID (if required)

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, Pearson learner ID, centre/learning provider ID and your learner national/passport ID (if required).
- 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 ▶

Pearson

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), (b) and (c).

1 (a) Complete the following document where indicated.

(6)

Star Brixton London SW9 1BX			
.... **note**			
		Number:	1534
Customer: Angie		Date:	1 September 2020
Quantity	**Description**	**Unit cost $**	**Total cost $**
5	Kettles	38.00	....
....	Tin pots	32.00	192.00
8	Saucepans	....	48.00
		Subtotal	....
		Trade discount	43.00
		Total	....
Reason for return: Goods faulty			

(b) Prepare for the month of September 2020 the:

(i) sales day book

(4)

Sales Day Book

September 2020	Customer	$
30	Total for the month	

(ii) returns inwards day book.

Returns Inwards Day Book

September 2020	Customer	$
30	Total for the month	

During the period 1 October 2019 to 31 August 2020 total sales were $93 100

(c) Prepare the sales account for the year ended 30 September 2020. Balance the account on this date and show the transfer to the statement of profit or loss.

(3)

You may provide your answer in the table or lines below.

Sales Account

Date	Details	$	Date	Details	$

....

....

....

....

....

....

(d) Identify which **one** of the following describes the accounting equation.

(1)

☒ **A** Assets – liabilities = equity

☒ **B** Assets + liabilities = equity

☒ **C** Liabilities – assets = equity

☒ **D** Liabilities – equity = assets

(e) Identify, indicating with a tick (✓), where **each** item would be shown in a statement of financial position.

(4)

	Non-current assets	Current assets	Current liabilities	Non-current liabilities
Bank charges owing				
Bank loan (2030)				
Bank overdraft				
Bank savings				

(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 (c), (d), (e) and (f).

2 (a) Identify which of the following are reasons for offering an early payment discount.

(1)

1 Prompt payment
2 Bulk purchase
3 Cash purchase

⊠ **A** 1 only

⊠ **B** 1 and 2

⊠ **C** 1 and 3

⊠ **D** 1, 2 and 3

(b) Identify which **one** of the following would be recorded in the cash book.

(1)

⊠ **A** Payment to restore petty cash

⊠ **B** Petty cash vouchers

⊠ **C** Purchase of goods on credit

⊠ **D** Purchase of non-current assets on credit

(c) Calculate the amount paid to Emy on 30 July 2020.

(3)

....

....

....

(d) Prepare the following accounts for the month ended 31 July 2020. Balance the accounts on this date and bring the balances down on 1 August 2020.

You may provide your answer in the table or lines below.

(i)

(5)

Emy Account

Date	Details	$	Date	Details	$

....

....

....

....

(ii)

Piper Account

Date	Details	$	Date	Details	$

....

....

....

....

....

(e) Complete the petty cash vouchers for the **two** cash payments.

(2)

Petty Cash Voucher	
Date	
Voucher number	**187**
Details:	
Amount	$

Petty Cash Voucher	
Date	
Voucher number	**188**
Details:	
Amount	$

(f) (i) Calculate the amount needed to restore the petty cash float on 31 July 2020.

(1)

....

....

(ii) Complete the cheque to restore the petty cash float on 31 July 2020.

(3)

Bass Bank	88-00-00
Music Street, London SW1X 3BB	Date ....
Pay...	$
	....
	Chin
Cheque number Sort code Account number	
0987654 88-00-00 987654321	

(g) Explain **one** reason for using the imprest system for petty cash.

(2)

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....

(Total for Question 2 = 21 marks)

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QUESTION 3 BEGINS ON THE NEXT PAGE.

3 (a) Prepare the corrected trial balance.

(9)

Syd – Trial balance at 30 September 2020				
	Debit $	**Credit $**	**Debit $**	**Credit $**
Bank	780			
Carriage inwards		1 890		
Carriage outwards	815			
Discount allowed		850		
Discount received		1 360		
Drawings	37 375			
Equity at 1 October 2019	58 505			
General expenses	33 460			
Inventory at 1 October 2019	18 770			
Machinery – cost		84 600		
Machinery – accumulated depreciation	42 600			
Petty cash		200		
Purchases	35 555			
Rent	19 000			
Returns inwards		930		
Returns outwards		440		
Revenue		199 800		
Trade payables ledger control	16 350			
Trade receivables ledger control	37 620			
Wages	47 210			
Total	348 040	290 070		

(b) Complete the table to identify the account to be debited and the account to be credited in order to correct **each** error.

(8)

Error	Account to be debited	Account to be credited
The purchase of machinery had been recorded in the purchases account.		
A payment to Nick was recorded in the account of Rick.		
A payment for cash purchases had been reversed in both accounts.		
Bank interest paid had not been recorded.		

(c) Identify where the account of a credit supplier is maintained.

(1)

☒ **A** General journal

☒ **B** General ledger

☒ **C** Payables ledger

☒ **D** Receivables ledger

(d) Identify where the sales account is maintained.

(1)

☒ **A** General journal

☒ **B** General ledger

☒ **C** Payables ledger

☒ **D** Receivables ledger

(Total for Question 3 = 19 marks)

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

4 (a) Prepare the trade receivables ledger control account for the year ended 31 October 2020. Balance the account on this date and bring the balance down on 1 November 2020.

You may provide your answer in the table or lines below.

(8)

Trade Receivables Ledger Control Account

Date	Details	$	Date	Details	$

....

....

....

....

....

....

....

....

(b) State **one other** item that may appear in a trade receivables ledger control account.

(1)

....

(c) Calculate the total revenue for the year ended 31 October 2020.

(2)

(d) Prepare an extract of the statement of profit or loss for the year ended 31 October 2020 showing the **trading** section only.

(8)

Barrett
Statement of profit or loss for the year ended 31 October 2020

(Total for Question 4 = 19 marks)

5 On 3 August 2020 Roger paid the following invoice by cheque.

A33 Garages Redhill London RHI 1AB		**Invoice**
Customer: Roger	Number: Date:	1601 3 August 2020
		$
Basic cost – Motor vehicle Delivery charge Fuel Insurance		22 000 450 50 670
	Total	23 170

(a) Calculate the amount of:

(i) capital expenditure

(1)

....

(ii) revenue expenditure.

(1)

....

Roger provided the following information.

	At 1 September 2019		
Non-current asset	**Cost** **$**	**Accumulated depreciation** **$**	**Depreciation method**
Equipment	59 100	17 730	15% per annum straight line
Motor vehicles	60 800	29 800	20% per annum reducing (diminishing) balance
A full year's depreciation is charged in the year of purchase.			

(b) Prepare the motor vehicles cost account for the year ended 31 August 2020.
Balance the account on this date and bring the balance down on
1 September 2020.

You may provide your answer in the table or lines below.

(3)

Motor Vehicles – Cost Account

Date	Details	$	Date	Details	$

....

....

....

....

....

On 1 August 2020 there was a balance of $3 494 on the motor vehicle expenses account.

(c) Prepare the motor vehicle expenses account for the year ended 31 August 2020.

You may provide your answer in the table or lines below.

(3)

Motor Vehicle Expenses Account

Date	Details	$	Date	Details	$

....

....

....

....

....

....

(d) Calculate the depreciation charge for the year ended 31 August 2020 for:

(i) equipment

(1)

....

....

(ii) motor vehicles.

(2)

....

....

(e) Prepare an extract of the statement of financial position at 31 August 2020 showing the **non-current assets** section only.

(5)

Roger
Statement of financial position at 31 August 2020

Assets

Non-current assets	Cost $	Accumulated depreciation $	Carrying value $

(f) Explain **one** reason why capital expenditure is not included in the statement of profit or loss.

(2)

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(g) Explain **one** reason why a business may use the reducing balance method rather than the straight line method to depreciate motor vehicles.

(2)

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....

(Total for Question 5 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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