

Pearson LCCI

**Certificate in Bookkeeping
and Accounting (VRQ)
Level 2**

Tuesday 10 April 2018
Resource Booklet

Paper Reference
ASE20093

Do not return this Resource Booklet with the question paper.

Instructions

- All workings and answers **must** be given in the question paper.
- Please note that any workings and answers written in the Resource Booklet will **not** be marked.

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Resource for Question 1 – Parts (a), (b), (c) and (d).

Data for part (a).

1. Cash received of \$126 had been entered in the cash book as \$216
2. A cash sale had been debited to the sales account and credited to the cash account.

Data for parts (b) and (c).

On 31 March 2018 Yuxin's trial balance did not balance. The difference was posted to a suspense account.

He identified the following errors:

- the total of returns inwards, \$1 560, had been posted to the returns inwards account as \$1 855
- the total of carriage inwards, \$1 040, had been posted to the credit side of the carriage outwards account
- a cash payment of \$15 for postage had been entered in the cash book correctly. No other entries had been made.

Data for part (d).

Yuxin prepared the following **incorrect** trade payables ledger control account for the year ended 31 March 2018.

Trade Payables Ledger Control Account

Date	Details	\$	Date	Details	\$
31 March 2018	Credit purchases	190 773	1 April 2017	Balance b/d	36 324
	Cash book/ discount received	7 336	31 March 2018	Cash book	205 826
	Purchase returns	2 845			
	Balance c/d	41 196			
		242 150			242 150

Resource for Question 2 – Parts (a), (b) and (e).

Data for parts (a) and (b).

Mario, a sole trader, sells goods with a gross profit margin of 20%.

He provided the following information at 1 March 2017.

	\$
Non-current assets	60 000
Inventory	18 370
Trade receivables	8 600
Trade payables	5 100
Cash in hand	200
Bank overdraft	2 070

For the year ended 28 February 2018.

	\$
Carriage inwards	160
Purchases	46 200
Returns inwards	300
Returns outwards	190
Revenue	68 300

Data for part (e).

	1 March 2017 \$	28 February 2018 \$	Payments \$
Rent	300 prepaid	420 accrued	3 000
Rates	160 accrued	135 prepaid	1 750

Resource for Question 3 – Parts (a) and (b).

Fortune and Hari are in partnership.

Their partnership agreement provided for:

- profits and losses to be shared in the ratio of 3:2
- annual salaries:
 - Fortune \$25 000
 - Hari \$15 000

At 1 February 2017 current account balances were:

- Fortune \$18 330
- Hari \$36 560

During the year ended 31 January 2018:

- profit for the year was \$124 500
- drawings:
 - Fortune \$50 000
 - Hari \$14 000

Fortune and Hari provided the following balances at 31 January 2018.

	\$
Cash at bank	18 264
Bank loan (2018)	10 000
Bank loan (2025)	50 000
Capital	
Fortune	75 000
Hari	75 000
Inventory	64 467
Equipment	
Cost	61 440
Accumulated depreciation	35 720
Land and buildings	
Cost	255 000
Accumulated depreciation	48 500
Trade payables ledger control	8 320
Trade receivables ledger control	18 759

There is no resource for Question 4 in this booklet.

Resource for Question 5 – Parts (a), (b) and (c).

Data for part (a).

The directors of Proutski Ltd provided the following draft statement of profit or loss for the year ended 31 January 2018.

Proutski Ltd
Statement of profit or loss for the year ended 31 January 2018

	\$
Revenue	368 450
Cost of sales	<u>(94 335)</u>
Gross profit	274 115
Administrative expenses	(66 630)
Distribution costs	<u>(34 955)</u>
Profit from operations	172 530
Finance costs	<u>(4 500)</u>
Profit for the year	<u>168 030</u>

Additional information

Cost of sales included the purchase of a delivery vehicle costing \$30 000. Delivery vehicles are depreciated at 25% per annum using the reducing (diminishing) balance method.

Delivery vehicle expenses of \$23 800 were included in administrative expenses. On 31 January 2018 delivery vehicle expenses, \$1 200, were owing.

Finance costs relate only to the interest on a 6% debenture of \$150 000 taken out on 1 January 2015.

Data for part (b).

The following figures were extracted from the statement of financial position at 31 January 2018.

	\$
Current assets	54 000
Current liabilities	24 000
Inventory	26 400

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