

Pearson LCCI

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

Wednesday 17 January 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.

Turn over ►

P59849A

©2018 Pearson Education Ltd.

1/1/1/1




Pearson



BLANK PAGE



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

Aung, a manufacturer, provided the following information at 30 November 2017.

	\$
Carriage inwards	1 750
Carriage outwards	890
Depreciation charge	8 400
Direct labour	182 494
General expenses	16 400
Purchases of raw materials	112 665
Rent	10 700
Returns inwards	2 750
Returns outwards	3 900
Revenue	625 000
Royalties	2 000
Salaries	65 000
Inventories at 1 December 2016	
Raw material	18 300
Work in progress	28 730
Finished goods	29 200
Inventories at 30 November 2017	
Raw material	19 955
Work in progress	19 700
Finished goods	30 400

Expense	Allocated to	
	Manufacturing %	Administration %
Depreciation charge	75	25
General expenses	60	40
Rent	60	40
Salaries	50	50

There is no resource for Question 2 in this booklet.

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

Data for parts (a), (b) and (c).

Peter and Rita were in partnership, sharing profits and losses in the ratio 5:3.

On 1 December 2016 they provided the following information.

Partner	Capital Account \$	Current Account \$
Peter	130 000	26 385
Rita	100 000	16 485

On 1 December 2016 Sally joined the partnership, introducing capital of \$125 000. The new partnership of Peter, Rita and Sally provided for profits and losses to be shared in the ratio of 2:2:1. In addition, Sally was to receive a salary of \$2 000 per month.

Goodwill was valued at \$150 000. The partners decided that this was not to be maintained in the books.

Data for part (d).

On 30 November 2017 the partnership prepared the following incorrect appropriation account.

**Peter, Rita and Sally
Appropriation account for the year ended 30 November 2017**

	\$	\$
Profit for the year		451 500
Interest on drawings		
Peter	3 000	
Rita	5 000	
		<u>(8 000)</u>
		443 500
Drawings		
Peter	15 000	
Rita	25 000	
		(40 000)
Interest on capital		
Peter	17 000	
Rita	10 000	
Sally	12 500	
		(39 500)
Salary		
Sally		(20 000)
		344 000
Share of profit		
Peter		215 000
Rita		129 000
		<u>344 000</u>

Resource for Question 4 – Parts (a), (b), (c) and (d).

On 1 January 2017, Nico owned motor vehicles costing \$26 340 with accumulated depreciation of \$9 950

On 1 October 2017 a motor vehicle purchased on 1 April 2016 for \$4 200, with a carrying value of \$2 940, was sold.

Motor vehicles are depreciated at 20% per annum, using the straight line method on the basis of one month's ownership equals one month's provision for depreciation.

Nico maintains a cash float of \$500 and all sales are made for cash.

During the year ended 31 December 2017, the following cash transactions were recorded.

	\$
Cash banked	83 350
General expenses	13 800
Motor expenses	4 950
Proceeds from sale of motor vehicle	2 100

There is no resource for Question 5 in this booklet.

BLANK PAGE



BLANK PAGE

