Pearson LCCI Certificate in Bookkeeping and Accounting (VRQ) Level 2 Paper Reference Friday 6 July 2018 **ASE20093** Time: 3 hours Complete the details below in block capitals. Candidate name Centre Code Candidate Number Candidate ID Number Total Marks You must have: Resource Booklet (enclosed)

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 \boxtimes . If you change your mind about an answer, put a line through the box \boxtimes and then mark your new answer with a cross \boxtimes .

You will need to use the data on **page 3** of the Resource Booklet to answer parts (a), (b), (c) and (d).

1 (a) Prepare the bank interest received account for the year ended 30 June 2018. Balance the account on this date and bring the balance down on 1 July 2018.	(5)
Bank Interest Received Account	
(b) Calculate the allowance for doubtful debts at:	
(i) 1 July 2017	(1)
(ii) 30 June 2018.	(4)
	(1)

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(i) light and heat	
	(3)
(ii) wages	(3)
(iii) allowance for doubtful debts.	(1)
d) Prepare an extract of the statement of financial position at 30 June 2018 showin the trade and other receivables and other payables only. Antria	(4)
Statement of financial position at 30 June 2018	



d (c).				
30	June :	2018	rrected trade receivables ledger control account for the year ended B. Balance the account on that date and bring the balance down on	
1.	July 20	18.		(5)
			Trade Receivables Ledger Control Account	
(b) (i)			he section of the statement of financial position where the balance	
(b) (i)		e tra	de receivables ledger control account is normally shown.	(1)
(b) (i)		e tra	de receivables ledger control account is normally shown. Current assets	(1)
(b) (i)	of th	e tra	de receivables ledger control account is normally shown.	(1)
(b) (i)	of th∈	e tra	de receivables ledger control account is normally shown. Current assets Current liabilities	(1)
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	of the	A B C D	Current assets Current liabilities Non-current liabilities Non-current liabilities	(1)
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(c) Complete the table to show the type of error made and the effect the correction of the error has on the profit for the year.

(12)

	Type of error	Increase \$	Decrease \$
1			
2			
3			
4			

(d) State **two** purposes of a suspense account.

(2)

(Total for Question 2 = 21 marks)

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ou will need to use the data on page 5 of the Resource Booklet to answer parts (a) and (b). (a) Prepare the realisation account.							
. ,					(13)		
		Realisa	ation Account				

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		×
The amount due to the partners on the dissolu	tion of the partnership was:	
Sita \$83 686, Toby \$20 494		
(b) Prepare the bank account at 30 April 2018.		
	(9)	
Bank A	Account	
	(Total for Question 3 = 22 marks)	



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You will need to use the data on page 6 of the Resource Booklet to answer parts (a), (b) and (c).	
4 (a) Calculate for the machine disposed of:	
(i) the total amount of depreciation charged	(1)
(ii) the profit or loss on disposal.	(4)
(b) Calculate the total depreciation charge on machinery for the year ended 31 May 2018.	(3)

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	pare an extract of the statement of finar chinery only.	ncial position	at 31 May 201	8 showing	(4)
	Monow Ma Statement of financial	nufacturing position at 3	1 May 2018		
	plain, referring to an appropriate accoun nufacturing may not change the metho			nery.	(3)
Соі	ncept				(3)
Exp	planation				
	te, indicating with a tick (\checkmark), the effect consactions.	on the working	g capital of the	e following	(3)
		Increase	Decrease	No effect	
	Sale of machinery for cash				
	Purchase of machinery on credit				
	Purchase of inventory on credit				



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(f)	Explain the effect on the liquid (acid test) ratio of the credit.	purchase of inventory on
	er carri	(2)
		otal for Question 4 = 20 marks)

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You will need to use the data on **page 7** of the Resource Booklet to answer parts (a), (b), (c) and (e).

5 (a) Complete the statement of changes in equity for the year ended 31 May 2018.

(4)

Mamxing Ltd Statement of changes in equity for the year ended 31 May 2018

	Ordinary share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at 1 June 2017	50 000	25 000	69 600	
Profit for the year				
Dividend				
Balance at 31 May 2018				

b)	Calcu	late t	the to	otal	amou	ınt o	f d	eber	nture	interest	owing.
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(1)





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(c) Prepare the statement of financial position at 31 May 2018.	(8)						
Mamxing Ltd Statement of financial position at 31 May 2018							



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(d) Explain one reason why an ordinary shareholder of Mamxing Ltd may be concerned by the amount of loan capital that the company has.	(2)
(e) Assess the effect on cash flow of the change in the accounts receivable collectio period and the accounts payable payment period over the two years.	n (4)
(Total for Question 5 = 19 marks) TOTAL FOR PAPER = 100 MARKS	

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