Pearson LCCI

Certificate in Bookkeeping and Accounting (VRQ)

Level 2

Thursday 7 June 2018
Resource Booklet

Paper Reference
ASE20093

Do not return this 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) and (b)

On 31 May 2018, Glynis's trial balance did not balance. The difference was posted to a suspense account.

She identified the following errors:

- a receipt from a credit customer, $1 200, had been entered correctly in the cash book. No other entries had been made
- a payment for general expenses, $133, had been entered correctly in the general expenses account. No other entries had been made
- goods costing $85 had been returned to a credit supplier. This had been entered correctly in the purchases returns account, but had been credited to the trade payables ledger control account.

On 31 May 2018, Glynis provided the following balances after the preparation of the statement of profit or loss.

	$
Bank	3 920
Drawings	10 000
Equity 1 June 2017	98 350
Other receivables	1 500
Profit for the year	37 304
Property, plant and equipment Cost Accumulated depreciation	 198 000 84 500
Trade payables ledger control	4 998
Trade receivables ledger control	12 895

Resource for Question 2 – Parts (a) and (b)

Novak, Roger and Rafael are in partnership, sharing profits and losses in the ratio 3:2:1.

At 1 May 2017, capital account balances were Novak $450 000, Roger $300 000 and Rafael $120 000

The partnership agreement provided for:

- annual salaries
  - Novak $55 000
  - Roger $25 000
  - Rafael $10 000
- interest on capital of 5% per annum paid on the opening balances
- interest on drawings of 8% per annum on the total drawings for the year.

For the year ended 30 April 2018:

- profit for the year was $196 400
- partners' drawings were Novak $85 000, Roger $65 000 and Rafael $20 000

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

Jason, a manufacturer, provided the following information for the year ended 31 March 2018.

	$
At 1 April 2017	
Insurance paid in advance	80
Factory machinery Cost Accumulated depreciation	 66 300 28 300
Year ended 31 March 2018	
Insurance paid by direct debit	880
Depreciation charge Factory machinery	5 700
Expenses are apportioned 70% to the factory and 30% to the office	
At 31 March 2018	
Insurance paid in advance	60

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

Data for part (a)

The Maws Rowing Club provided the following information for the year ended 30 April 2018.

	1 May 2017 $	**30 April 2018 $**
Subscriptions in arrears	275	180
Subscriptions in advance	240	279

During the year ended 30 April 2018, the club received a total of $4 314 from members for subscriptions. This included $225 in arrears at 1 May 2017, the balance to be written off as an irrecoverable debt.

Data for parts (b) and (c)

The club provided the following information for its restaurant.

	1 May 2017 $	**30 April 2018 $**
Inventory	2 555	**To be calculated**
Trade payables	1 460	2 080
Cash receipts		31 266
Payments to suppliers		18 110

The restaurant has a gross profit margin of 50%.

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

Data for part (a)

On 31 March 2018, the directors of Fenlator Ltd provided the following information.

	$
Revenue	164 400
Cost of sales	109 600
Gross profit	54 800
Trade payables	13 700
Trade receivables	19 180

Assume 360 days in a financial year.

There was no change in the value of inventory during the year.

Data for parts (b) and (c)

Non-current assets

Purchase date	$
1 June 2016	8 000
1 July 2016	2 000
1 September 2016	4 000
1 June 2017	1 800

Non-current assets are depreciated at 25% per annum using the reducing (diminishing) balance method.

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

Data for part (e)

Profit for the year ended 31 March 2018 was $18 400

During the year ended 31 March 2018, a dividend was paid on the 28 000 ordinary shares at $0.10 per share.

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