

# Pearson LCCI

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

Thursday 8 March 2018  
Time: 3 hours

Paper Reference  
**ASE20093**

Complete the details below in block capitals.

Candidate name

Centre Code

--	--	--	--	--	--	--	--

Candidate Number

--	--	--	--	--	--	--	--	--	--

Candidate ID Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**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, 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 ►

P57509A

©2018 Pearson Education Ltd.

1/1/1/1/1



  
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 3** of the Resource Booklet to answer parts (d) and (e).

1 (a) Identify where the purchases account will appear in a business maintaining a full set of books of account. (1)

- A General journal
- B General ledger
- C Trade payables ledger
- D Trade receivables ledger

(b) Identify which item would be recorded on the debit side of the trade receivables ledger control account. (1)

- A Cash purchases
- B Cash sales
- C Credit purchases
- D Credit sales

(c) State **two** reasons for maintaining a trade receivables ledger control account. (2)

1 .....

2 .....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) Prepare journal entries to correct the **four** errors.  
Narratives are **not** required.

(9)

**Journal**

Date	Account	Debit \$	Credit \$
31 January 2018			

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(e) Calculate the corrected profit for the year after adjusting for the errors.

(6)

	\$
Draft profit for the year	115 100
Corrected profit for the year	

On 1 February 2018 Mita had a credit balance on her rent received account.

(f) Explain, referring to an appropriate accounting concept, the meaning of this balance.

(3)

Concept

Explanation

(Total for Question 1 = 22 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



P 5 7 5 0 9 A 0 5 1 6

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

**2** (a) Calculate Tatek's equity at 1 January 2017. (1)

.....  
.....

(b) (i) State **two** reasons why Tatek depreciates his motor vehicles. (2)

1 .....

2 .....

(ii) Calculate the amount of accumulated depreciation on the motor vehicle sold. (2)

.....

(iii) Prepare the disposal account. (5)

**Disposal Account**

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



- (c) Prepare the motor vehicles accumulated depreciation account for the year ended 31 December 2017.  
Balance the account on that date and bring the balance down on 1 January 2018.

(5)

**Motor Vehicles – Accumulated Depreciation Account**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

- (d) (i) Identify the accounting concept Tatek is applying in maintaining an allowance for doubtful debts.

(1)

- A Accruals
- B Going concern
- C Materiality
- D Realisation

- (ii) Calculate the change in the allowance for doubtful debts for the year ended 31 December 2017.

(2)

.....

.....



(iii) Prepare the allowance for doubtful debts account for the year ended 31 December 2017, showing the transfer to the financial statements. Balance the account on this date and bring the balance down on 1 January 2018.

(4)

**Allowance for Doubtful Debts Account**

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 2 = 22 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



P 5 7 5 0 9 A 0 9 1 6

You will need to use the data on **page 5** of the Resource Booklet to answer parts (c) and (d).

**3** (a) Identify which **one** of the following is the equivalent of a business's equity for a club. (1)

- A** Accumulated fund
- B** Surplus for the year
- C** Deficit for the year
- D** Income and expenditure account

(b) Identify which **one** of the following is a revenue receipt for a club. (1)

- A** Loan repayment
- B** Loan to purchase club equipment
- C** Subscriptions received
- D** Subscriptions written off

(c) Prepare the subscriptions account for the year ended 28 February 2018.  
Balance the account on this date and bring the balance down on 1 March 2018. (7)

**Subscriptions Account**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) (i) Calculate the purchases for the sports shop for the year ended 28 February 2018.

(3)

.....

.....

.....

(ii) Prepare the statement of profit or loss for the year ended 28 February 2018, showing the trading section only.

(5)

**Root Sports Club**  
**Statement of profit or loss for the year ended 28 February 2018**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(e) Explain how a club should account for a donation of \$100 000

(2)

.....

.....

.....

**(Total for Question 3 = 19 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



You will need to use the data on **page 6** of the Resource Booklet to answer parts (b), (c) and (d).

**4** (a) State **one** difference between:

(i) direct cost and indirect cost (1)

.....  
 .....

(ii) prime cost and production cost. (1)

.....  
 .....

(b) Prepare the corrected manufacturing account for the year ended 31 January 2018. (11)

**Zaidah**  
**Manufacturing account for the year ended 31 January 2018**

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

.....  
 .....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Zaidah's cost of sales for the year ended 31 January 2018 was \$290 550

(c) Calculate the gross profit for the year ended 31 January 2018. (2)

(d) Calculate for the year ended 31 January 2018:

(i) gross profit as a percentage of revenue (margin) (1)

(ii) gross profit as a percentage of cost of goods sold (mark-up) (1)

(iii) accounts receivables collection period in days. (1)

**(Total for Question 4 = 18 marks)**



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

5 (a) Explain the term limited liability.

(2)

.....

.....

.....

(b) (i) Calculate the total amount of dividend paid during the year ended 31 December 2017.

(1)

.....

.....

(ii) Complete the statement of changes in equity for the year ended 31 December 2017.

(6)

**Decjan Ltd**  
**Statement of changes in equity for the year ended 31 December 2017**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at 1 January 2017	80 000	20 000	39 400	139 400
Profit for the year				
Dividend				
Balance at 31 December 2017				

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(c) Prepare the statement of financial position at 31 December 2017.

(6)

**Decjan Ltd**  
**Statement of financial position at 31 December 2017**

Area for writing the statement of financial position, consisting of multiple horizontal dotted lines.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



The directors of Decjan Ltd provided the following information.

	2016	2017
Gross profit as a percentage of revenue (margin)	27.3%	26.4%
Net profit as a percentage of revenue	5.8%	6.4%

(d) Assess the change in profitability over the past 12 months.

(4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 5 = 19 marks)**

**TOTAL FOR PAPER = 100 MARKS**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

