

**Pearson LCCI**

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

Thursday 8 March 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 (d) and (e).**

On 31 January 2018 Mita prepared a trial balance that did not balance. The difference was posted to a suspense account.

She identified the following errors:

- wages included \$1 000 taken by Mita for her own use
- discount allowed of \$845 had been credited to the discount received account
- a cheque received from Bonnie for \$265 had been entered in the cash book correctly but recorded in Bonnie's account as \$256
- rent received, \$2 500, had been entered in the cash book correctly. No other entries had been made.

**Resource for Question 2 – Parts (a), (b), (c) and (d).**

**Data for part (a).**

Tatek provided the following information at 1 January 2017.

	\$
Allowance for doubtful debts	355
Bank	8 352 Cr
Inventory	36 200
Motor vehicles Cost	66 545
Accumulated depreciation	44 240
Premises	125 000
Trade payables	13 249
Trade receivables	17 750

**Data for parts (b) and (c).**

During the year ended 31 December 2017:

- Tatek sold a motor vehicle for cash, \$4 650. The motor vehicle originally cost \$21 400 and had a carrying value of \$3 860
- the depreciation charge for the year on motor vehicles was \$9 029

**Data for part (d).**

- Trade receivables owed \$16 400 at the end of the year.
- Tatek increased his allowance for doubtful debts to 3% of trade receivables.

**Resource for Question 3 – Parts (c) and (d).**

**Data for part (c).**

The Root Sports Club provided the following information for the year ended 28 February 2018.

	<b>1 March 2017 \$</b>	<b>28 February 2018 \$</b>
Subscriptions in arrears	1 050	1 260
Subscriptions in advance	1 980	2 660

During the year ended 28 February 2018, the club received a total of \$25 310 from members for subscriptions.

**Data for part (d).**

The club provided the following information for its sports shop.

	<b>1 March 2017 \$</b>	<b>28 February 2018 \$</b>
Inventory	8 320	9 440
Trade payables	6 600	5 380

During the year ended 28 February 2018:

- Cash receipts                      \$85 125
- Payments to suppliers            \$59 350
- Purchase returns                  \$260

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

Zaidah, a manufacturer, provided the following incorrect manufacturing account.

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

	\$	\$
Revenue		387 400
Trade receivables	77 480	
Returns outwards	<u>(1 650)</u>	
Direct costs		
Purchases of raw materials	111 370	
Carriage inwards	<u>(1 010)</u>	
	110 360	
Direct labour	(28 400)	
Factory general expenses	3 000	
Direct expenses	750	<u>85 710</u>
		301 690
Overheads		
Factory rent	17 500	
Office rent	2 500	
Factory supervisor's salary	18 960	
Office supervisor's salary	<u>12 435</u>	<u>51 395</u>
		353 085
Add closing inventory		
Raw materials	16 360	
Work in progress	<u>9 490</u>	25 850
Less opening inventory		
Raw materials	18 180	
Work in progress	<u>10 000</u>	(28 180)
		<u>350 755</u>

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

Decjan Ltd provided the following balances at 31 December 2017.

	\$
10% debentures 2028	25 000
Bank	1 425
Inventory	46 875
Other receivables	620
Property, plant and equipment (carrying value)	203 340
Share capital (ordinary shares at \$0.50 each)	80 000
Trade payables	37 720
Trade receivables	48 360

The profit for the year ended 31 December 2017 was \$138 500. During the year ended 31 December 2017 a dividend of \$0.25 per share was paid.



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