

Pearson LCCI

**Friday 16 November 2018**

Time: 3 hours

Paper Reference **ASE20093**

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

**Level 2**

**Resource Booklet**

**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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**There is no resource for Question 1.**

### Resource for Question 2 - Parts (c),(d) and (e)

Cheng prepared the following **incorrect** trade payables ledger control account for the year ended 31 July 2018.

#### Trade Payables Ledger Control Account

Date	Details	\$	Date	Details	\$
1 August 2017	Balance b/d	8 240	31 July 2018	Credit purchases	75 386
31 July 2018	Cash book	74 114		Cash book/discount received	814
				Purchase returns day book	1 424
				Balance c/d	4 730
		<u>82 354</u>			<u>82 354</u>

All purchases were on credit. Goods were sold with a 60% profit margin.

Cheng provided the following information for the year ended 31 July 2018.

	1 August 2017 \$	31 July 2018 \$
Cash in hand	100	150
Inventory	19 900	6 506
Trade receivables	11 385	12 225
Received from credit customers		194 200
Cash takings banked		18 100
Cash drawings		5 200

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

The Strand Social Club provided the following information for the year ended 31 October 2018.

	<b>1 November 2017 \$</b>	<b>31 October 2018 \$</b>
Subscriptions in advance	-	450
Subscriptions in arrears	-	825
Cash at bank	8 365	9 210
Equipment- cost	31 200	31 440
Equipment- accumulated depreciation	11 950	15 040

During the year ended 31 October 2018:

- general expenses paid were \$6079
- bank interest received was \$67
- the club had 110 members who each paid a subscription of \$75 per year
- the club sold equipment that had cost \$1 128, with a carrying value of \$418, at a loss of \$68.

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

On 30 September 2018 Ettie, a manufacturer, provided the following information.

	\$
Inventories 1 October 2017	
Finished goods – Bought in goods	14 395
– Manufactured goods	18 715
Inventories 30 September 2018	
Raw materials	18 960
Work in progress	21 320
Finished goods – Bought in goods	11 990
– Manufactured goods	16 370
Carriage inwards	105
Carriage outwards	410
Office equipment – Cost	41 840
– Accumulated depreciation	18 440
Office expenses	68 935
Production cost	101 110
Purchases- finished goods	62 200
Revenue	315 555
Wages - office staff	69 290

On 30 September 2018 office staff wages accrued were \$420 and office expenses prepaid were \$165.

Office equipment is depreciated at 20% per annum using the reducing (diminishing) balance method.

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

The directors of Wellsopp Ltd provided the following information at 31 August 2018 in addition to the statement of changes in equity on page 13 of the question paper after the preparation of the statement of profit or loss.

	\$
7% debentures (2018)	40 000
8% debentures (2026)	25 000
Bank overdraft	1 220
Inventory	16 300
Property, plant and equipment (carrying value)	126 130
Profit from operations	10 755
Trade payables	19 235
Trade receivables	10 380

### Additional information

At 31 August 2018:

- a dividend of \$0.05 per share was paid on each \$1 share
- debenture interest had not yet been accounted for.

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