

# Pearson LCCI

## Tuesday 9 April 2019

Time: 3 hours

Paper Reference **ASE20093**

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

Please check the examination details above before entering your candidate information

Candidate name

Centre Code

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Candidate Number

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Candidate ID Number

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**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 ►

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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 ☒. 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 2** of the Resource Booklet to answer parts (a), (b) and (c).

**1** (a) Prepare the suspense account.

(4)

**Suspense Account**

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(b) Calculate the amounts to be included in the statement of financial position at 31 March 2019 for:

(i) trade receivables

(3)

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(ii) bank.

(3)

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(iii) Prepare an extract of the statement of financial position at 31 March 2019 showing the **assets** section only.

(5)

**Theresa**  
**Statement of financial position at 31 March 2019**

**Assets**

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(c) Prepare the equity account.

(5)

**Equity Account**

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**(Total for Question 1 = 20 marks)**



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

2 (a) Identify which of the following is capital expenditure. (1)

- A** Bank loan to acquire motor vehicle
- B** Delivery cost for motor vehicle
- C** Fuel for motor vehicle
- D** Interest on bank loan

(b) Identify the book of original entry used to record depreciation expense. (1)

- A** Cash book
- B** Journal
- C** Purchases day book
- D** Purchases returns day book

(c) State the most suitable depreciation method for **each** non-current asset. (3)

Non-current asset	Depreciation method
20-year lease on a building	
Loose tools	
Motor vehicles	

(d) Calculate the charge to the manufacturing account for the year ended 31 December 2018 for:

(i) general expenses (1)

(ii) factory machinery depreciation expense. (1)

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(e) Prepare the manufacturing account for the year ended 31 December 2018.

(11)

**Harold**  
**Manufacturing Account for the year ended 31 December 2018**

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(f) Calculate the gross profit for the year ended 31 December 2018.

(3)

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**(Total for Question 2 = 21 marks)**

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

**3** (a) (i) Prepare the rental income account.

(5)

**Rental Income Account**

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(ii) Identify where the rental income account will appear.

(1)

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

(iii) Identify where rent received in advance is shown in the statement of financial position.

(1)

- A** Current assets
- B** Current liabilities
- C** Non-current assets
- D** Non-current liabilities

(b) Calculate for the year ended 31 March 2019:

(i) revenue

(2)

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(ii) general expenses.

(2)

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(c) Prepare the statement of profit or loss for the year ended 31 March 2019.

(6)

**Claude**  
**Statement of profit or loss for the year ended 31 March 2019**

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(d) State which accounting concept is being described.

(2)

	<b>Accounting concept</b>
Accounts are prepared on the basis that the business will continue for the foreseeable future.	
Income is recognised when an invoice is raised.	

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

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

**4** (a) Calculate the:

(i) cost of new equipment purchased

(2)

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(ii) total amount paid to credit suppliers.

(2)

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(b) Prepare the receipts and payments account.

(8)

**Receipts and Payments Account**

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(c) Prepare the subscriptions account.

(8)

**Subscriptions Account**

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(d) Explain **one** reason why the club wrote off the subscriptions owing as an irrecoverable debt.

(2)

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**(Total for Question 4 = 22 marks)**

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

5 (a) Identify what is meant by the term **2018** in 8% debentures (2018). (1)

- A** Annual interest
- B** Total interest
- C** Year debenture was issued
- D** Year debenture was redeemed

(b) Calculate at 31 January 2019 the:

(i) ordinary share capital (1)

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(ii) retained earnings. (1)

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(iii) Prepare an extract of the statement of financial position at 31 January 2019 showing **the equity and liabilities** section only.

(5)

**Tixreb Ltd**  
**Statement of financial position at 31 January 2019**

**Equity and liabilities**

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(c) Explain **one** reason why Tixreb Ltd received more than the nominal value for each share issued.

(2)

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(d) Explain **one** reason why Tixreb Ltd has issued both debentures and shares.

(2)

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(e) (i) State the formula for each ratio.

(2)

Ratio	Formula	31 January	
		2018	2019
Current (working capital)		2.2 :1	1.7 :1
Liquid (acid test)		0.9 :1	1.1 :1

(ii) Assess the change in these two ratios.

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(Total for Question 5 = 18 marks)

**TOTAL FOR PAPER = 100 MARKS**

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