

Pearson LCCI

Tuesday 9 April 2019

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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Resource for Question 1 – Parts (a), (b) and (c).

On 31 March 2019 Theresa's trial balance did not balance and the difference was posted to a suspense account. She identified the following errors and omissions.

- The purchase of goods on credit, \$7 500, had been entered correctly in the purchases account. No other entries had been made.
- Cash, \$200, withdrawn from the bank for use as petty cash had not been recorded.
- A receipt of \$3 640 from a credit customer had been credited to the cash book and debited to the trade receivables ledger control account.
- Discount allowed, \$440, had been entered correctly in the discount allowed account. No other entries had been made.

Theresa provided the following information for the year ended 31 March 2019 before adjusting for the errors.

	\$
Bank	9 555
Cash	50
Drawings	11 000
Equipment – cost	110 790
– accumulated depreciation	40 690
Equity – 1 April 2018	89 765
Loss for the year	3 650
Trade payables ledger control	19 825
Trade receivables ledger control	23 175

Resource for Question 2 – Parts (d), (e) and (f).

Harold, a manufacturer, provided the following information for the year ended 31 December 2018.

Inventory	1 January 2018 \$	31 December 2018 \$
Raw material	7 960	8 310
Work in progress	13 250	11 140
Finished goods	10 790	11 330

	\$
Carriage inwards	810
Carriage outwards	630
Factory machinery – cost	54 000
– accumulated depreciation	18 440
Factory wages	68 500
General expenses	18 000
Purchases of raw material	89 255
Revenue	313 260
Royalties	3 200

- General expenses are apportioned 60% to the factory and 40% to administration.
- Factory machinery is depreciated at 20% per annum using the reducing (diminishing) balance method.
- Factory wages include \$19 400 for the supervisor.

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

Claude provided the following information for the year ended 31 March 2019 after the calculation of the gross profit of \$66 000

	1 April 2018 \$	31 March 2019 \$
General expenses paid		8 920
Other payables – general expenses	155	
Other receivables – general expenses		254
Rental income received		3 020
Rental income in advance	220	480
Wages paid		11 470

All goods are marked up by 30%.

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

The Noc Social Club provided the following information for the year ended 31 March 2019.

	1 April 2018 \$	31 March 2019 \$
Cash at bank	8 294	To be calculated
Equipment – cost	16 920	19 950
Subscriptions in advance	160	630
Subscriptions in arrears	375	400
Trade payables	1 574	1 398

During the year ended 31 March 2019:

- equipment that had cost \$2 360 was sold for \$1 150
- purchases of goods on credit \$3 943
- general expenses paid by cheque \$1 225
- Members paid \$7 580 for subscriptions. This included \$300 of the arrears at 1 April 2018, the balance was to be written off as irrecoverable.

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

Tixreb Ltd provided the following information at 1 February 2018.

	\$
8% debentures (2018)	22 000
Share capital (ordinary shares of \$0.50 each)	45 000
Retained earnings	87 500

During the year ended 31 January 2019 Tixreb Ltd:

- received \$12 000 from the issue of 20 000 ordinary shares
- issued \$30 000 9% debentures (2038)
- made a loss of \$11 200

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