

Pearson LCCI

Thursday 5 December 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.

Turn over ►

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

On 30 November 2019 Mason's trial balance did not balance. The difference was posted to a suspense account.

He identified the following errors.

- Carriage outwards, \$820, had been posted to the carriage inwards account as \$280
- Cash, \$150, taken from the business for Mason's own use, had not been recorded.
- A direct debit for rates, \$68, had been entered in the cash book correctly. No other entries had been made.
- Bank interest paid, \$14, had been credited to the bank interest received account.

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

Rilee, a manufacturer, provided the following information for the year ended 31 October 2019.

	1 November 2018 \$	31 October 2019 \$
Inventory		
– Raw material	68 320	36 700
– Work in progress	19 480	25 900
– Finished goods		
– bought in	8 280	11 600
– manufactured	7 010	8 825
Other payables – supervisor salary	670	800
Other receivables – general expenses		1 460
General expenses paid		46 900
Depreciation charge – factory machinery		24 440
Royalties		13 300
Purchases		
– raw materials		387 850
– finished goods		3 900
Wages paid		
– production		144 300
– administration		49 500
Supervisor salary paid		19 300

General expenses are apportioned 60% to the factory and 40% to administration.

The supervisor's salary is apportioned 80% to the factory and 20% to administration.

There is no resource for Question 3.

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

The Porth Rowing Club provided the following information.

	1 October 2018 \$	30 September 2019 \$
Boats		
– cost	29 400	32 800
– accumulated depreciation	11 200	14 720
Other payables – general expenses	75	–
Other receivables – rent	–	100
Subscriptions in advance	–	850
Subscriptions in arrears	1 010	–

Receipts and Payments Account

Date	Details	\$	Date	Details	\$
1 October 2018	Balance b/d	810	30 September 2019	Purchase of boat	7 000
30 September 2019	Subscriptions	17 900		Insurance for regatta	720
	Regatta entry fees	8 320		Prizes for regatta	240
	Proceeds from sale of boat	1 900		Rent	8 200
				General expense	2 640
				Balance c/d	10 130
		<u>28 930</u>			<u>28 930</u>
1 October 2019	Balance b/d	10 130			

Boats are depreciated at 15% per annum using the straight line method. A full year's depreciation is charged in the year of purchase and none in the year of disposal.

During the year a boat with accumulated depreciation of \$1 400 was sold.

Resource for Question 5 – Parts (a) and (b).

Northeast Ltd provided the following information in addition to the statement of financial position at 31 July 2019 on **page 14** of the question paper.

At 1 August 2018	\$
Ordinary share capital	80 000
Share premium	25 000
Retained earnings	128 000
For the year ended 31 July 2019	
Revenue	120 000
Cost of sales	36 000
Gross profit	84 000
Profit for the year	21 600

During the year ended 31 July 2019 Northeast Ltd:

- issued 20 000 \$1 ordinary shares at a premium of \$0.10 per share
- paid a dividend of \$0.20 per share.



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