

Pearson LCCI

Wednesday 16 January 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) and (b).

- 1 (a) Prepare journal entries to correct **each** error.

Narratives are **not** required.

(10)

Journal

Date	Account	Debit \$	Credit \$
31 July 2018			

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(b) Prepare the suspense account.

(5)

Suspense Account

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(c) Identify where in the statement of financial position rental income owing is shown.

(1)

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

(d) State **two** causes of depreciation.

(2)

1

2

(e) Identify which cost is classified as capital expenditure.

(1)

- A Delivery of machine
- B Machinery insurance
- C Machinery repairs
- D Wages for machine operator

(Total for Question 1 = 19 marks)



You will need to use the data on **page 3** of the Resource Booklet to answer parts (a), (b) and (c).

2 (a) Prepare the rent account for the year ended 30 November 2018.

(5)

Rent Account

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(b) Calculate the charge to the manufacturing account for:

(i) rent

(2)

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(ii) general expenses.

(3)

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

- 3** (a) Prepare the appropriation account for the year ended 30 June 2018. (3)

Mahn and Nai
Appropriation account for the year ended 30 June 2018

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- (b) Calculate the balance on **each** partner's current account at 30 June 2018. (6)

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Nai

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(c) Prepare the statement of financial position at 30 June 2018.

(8)

Mahn and Nai
Statement of financial position at 30 June 2018

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On 1 July 2018 the partners changed the profit sharing ratio to 3:2. They valued goodwill at \$84 000 and this was not to be maintained in the books.

(d) Prepare the capital account of Mahn.

(5)

Capital Account – Mahn

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(Total for Question 3 = 22 marks)

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

4 (a) Identify which **one** of the following would be included in a receipts and payments account. (1)

- A** Subscriptions in advance
- B** Subscriptions in arrears
- C** Subscriptions received
- D** Subscriptions written off

(b) Prepare the subscriptions account for the year ended 31 December 2018. (7)

Subscriptions Account

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(c) Explain **one** reason why Sixovers Cricket Club made an adjustment for subscriptions received in advance. (2)

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5 (a) State **two** reasons why a business maintains an allowance for doubtful debts. (2)

1

2

On 1 January 2018 Hayma's trade receivables were \$92 200 and on 31 December 2018 they were \$59 500

On 31 December 2018 he decided to increase his allowance for doubtful debts from 3% to 4% of trade receivables.

(b) (i) Explain **one** reason why Hayma decided to increase his allowance for doubtful debts. (2)

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(ii) Calculate the amount to be shown for allowance for doubtful debts in the statement of profit or loss for the year ended 31 December 2018. (3)

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(c) Identify where the allowance for doubtful debts will be shown in the statement of financial position. (1)

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

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(d) Identify where an irrecoverable debt recovered would be shown.

(1)

- A Statement of financial position
- B Statement of profit or loss
- C Trade payables ledger control account
- D Trade receivables ledger control account

Hayma provided the following information at 31 December 2018.

Revenue	Cost of sales	Trade payables
\$457 920	\$274 752	\$41 976

(e) Calculate the following ratios.

(3)

Ratio	Answer
Accounts payables payment period assuming 360 days in a year	
Gross profit as a percentage of revenue (margin)	
Gross profit as a percentage of cost of goods sold (mark-up)	

(f) State **three other** ratios that can be used to measure the performance of a business.

(3)

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- 2
- 3



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