

Pearson LCCI

Friday 12 July 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), (b) and (d).

Data for parts (a) and (b).

Kraigg paid rent for 12 months on the following dates.

Date	\$
1 January 2018	8 040
1 January 2019	9 720

He prepares financial statements to 31 May 2019.

Data for part (d).

On 31 May 2019 Kraigg's trial balance did not balance and the difference was posted to a suspense account. He identified the following errors.

- A cheque payment, \$630, for light and heat had been entered in the cash book correctly but had been entered in the light and heat account as \$360
- Returns outwards of \$105 had been debited to the returns inwards account.
- A receipt of \$410 from a credit customer written off as irrecoverable last year had been correctly entered in the cash book. No other entries had been made.
- Bank interest received, \$25, had been entered in the cash book correctly but had been entered in the bank interest received account as \$52

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

Shimron, a manufacturer, provided the following information for the year ended 31 March 2019.

	1 April 2018 \$	31 March 2019 \$
Inventory – finished goods		
– bought in goods	8 280	11 600
– manufactured goods	7 010	8 825
Office equipment		
– cost	21 640	
– accumulated depreciation	13 220	
Office expenses		19 550
Other payables – wages – office staff		590
Other receivables – office expenses		110
Production cost		167 545
Purchases – finished goods		82 820
Returns inwards		330
Revenue		463 700
Wages – office staff		25 650

- On 1 January 2019 office equipment was sold for \$870. The equipment was purchased on 1 February 2017 for \$1 600
- On 1 March 2019 office equipment was purchased for \$3 960

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

Resource for Question 3 – Parts (a) and (b).

Hope provided the following information for the year ended 31 May 2019.

	1 June 2018 \$	31 May 2019 \$
Cash	150	200
Fixtures and fittings – carrying value	29 320	24 720
Inventory	3 000	3 000
Other receivables – general expenses	180	225
Trade and other payables	19 125	14 220
Profit for the year ended 31 May 2019 was \$41 730		

Bank summary

Details	\$	Details	\$
Opening balance	3 450	Trade payables	31 620
Cash banked	91 730	Rent	6 400
		General expenses	18 180
		Drawings	20 000
		Closing balance	18 980
	<u>95 180</u>		<u>95 180</u>

Sales of \$98 390 were banked after deducting general expenses of \$810 and cash drawings.

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

The Windy Cricket Club provided the following information for the year ended 30 April 2019.

The club has 227 members who all pay a subscription of \$120 per year.

	1 May 2018 \$	30 April 2019 \$
Equipment		
– cost	29 950	To be calculated
– accumulated depreciation	6 320	To be calculated
Inventory – shop	5 145	4 200
Other payables – general expenses	103	–
Other payables – rent	–	200
Trade payables – shop supplies	805	930

Extract from the receipts and payments account

	\$
Receipts	
Shop takings	22 000
Payments	
Trade payables	14 330
Equipment	1 910
General expenses	8 763
Rent	11 800

Equipment is depreciated at 20% using the reducing (diminishing) balance method. A full year's depreciation is charged in the year of acquisition.

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

Bowda Ltd provided the following balances at 30 April 2019.

	\$
Share capital	
– ordinary shares at \$2 each	30 000
– 8% preference shares at \$0.50 each	10 000
6% debentures (2019)	75 000
Bank	6 384
Inventory	29 123
Other payables	844
Property, plant and equipment	
– cost	229 000
– accumulated depreciation	37 500
Retained earnings at 1 May 2018	62 500
Share premium	6 000
Trade payables	18 366
Trade receivables	21 200

The profit for the year ended 30 April 2019 was \$47 797. During the year ended 30 April 2019:

- the preference dividend was paid in full
- an ordinary dividend of \$0.10 per share was paid.

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