

Pearson LCCE

Thursday 13 June 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 ☒.

- 1 (a) State the name of the book of original entry used to record the correction of errors.

(1)

On 30 April 2019 the trial balance of Idris, a sole trader, did not balance. The difference was posted to a suspense account.

- (b) Complete the table to correct **each** error.

(9)

Error	Debit \$	Credit \$
A refund for light and heat of \$90 had been entered correctly in the cash book. No other entries had been made.		
Additional capital of \$12 000 had been entered in the sales account.		
Sales returns of \$270 had been entered correctly in the trade receivables ledger control account. No other entries had been made.		
Rent income of \$5 300 had been credited to the bank account and debited to the rent expenditure account.		

- (c) Prepare the suspense account.

(4)

Suspense Account

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(d) State **two** ways of identifying errors **other** than the preparation of a trial balance.

(2)

1

2

(e) Identify the accounting concept that must be complied with when the owner of a business takes goods for their own use.

(1)

- A Accruals
- B Business entity
- C Prudence
- D Realisation

(f) Identify which **one** of the following would be included in the equity account.

(1)

- A Gross profit
- B Profit for the year
- C Profit on disposal
- D Loss on disposal

(Total for Question 1 = 18 marks)



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

- 2** (a) Prepare the trade payables ledger control account for the year ended 31 May 2019. Balance the account on that date and bring the balance down on 1 June 2019.

Trade Payables Ledger Control Account

(5)

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- (b) Calculate the allowance for doubtful debts at:

(i) 1 June 2018

(1)

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(ii) 31 May 2019.

(1)

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- (c) Prepare the allowance for doubtful debts account for the year ended 31 May 2019. Balance the account on that date and bring the balance down on 1 June 2019.

(4)

Allowance for Doubtful Debts Account

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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 machinery cost account for the year ended 31 March 2019.
Balance the account on that date and bring the balance down on 1 April 2019. (5)

Machinery – Cost Account

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- (b) (i) Calculate the accumulated depreciation on the motor vehicle sold. (2)

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- (ii) Calculate the profit or loss on disposal of the motor vehicle. Indicate whether the figure is a profit or loss. (5)

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- (c) Calculate the depreciation charge for the year ended 31 March 2019 for:
(i) machinery (1)

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(ii) motor vehicles. (1)

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(b) Prepare the statement of financial position at 30 April 2019.

(8)

Violet and Wyn
Statement of financial position at 30 April 2019

Area with horizontal dotted lines for writing the financial statement.

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(c) Identify which **one** of the following would be entered on the credit side of a partner's current account.

(1)

- A** Drawings
- B** Interest on drawings
- C** Interest on capital
- D** Share of losses

(d) Identify the entry to the accounts to record the creation of goodwill.

(1)

- A** Debit capital account
- B** Credit capital account
- C** Debit current account
- D** Credit current account

(e) Explain **one** reason why goodwill is created when a new partner joins a partnership.

(2)

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(Total for Question 4 = 19 marks)

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P 6 3 9 8 9 A 0 1 1 1 6

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

5 (a) Calculate for the year ended 31 March 2019 the:

(i) gross profit (1)

(ii) profit for the year (1)

(iii) dividend paid. (1)

(b) Complete the statement of changes in equity for the year ended 31 March 2019. (8)

Storm2010 Ltd
Statement of changes in equity for the year ended 31 March 2019

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at 1 April 2018	80 000	10 000	83 500	173 500
Share issue				
Profit for the year				
Dividend				
Balance at 31 March 2019				

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(c) Identify, indicating with a tick (✓), the characteristics of **each** share type.

(4)

Characteristic	Ordinary	Preference
Fixed dividend		
Prior claim on assets		
Redeemable		
Voting rights		

(d) Identify which **one** of the following is a profitability ratio.

(1)

- A** Accounts receivable collection period
- B** Accounts payable payment period
- C** Rate of inventory turnover
- D** Return on capital employed

(e) Calculate for the year ended 30 April 2019 the:

(i) gross profit as a percentage of revenue

(1)

(ii) profit for the year as a percentage of revenue.

(1)



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