

Pearson LCCI

**Thursday 13 June 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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**There is no resource for Question 1.**

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

Saoirse sells goods on credit with a gross profit margin of 15%. She provided the following information for the year ended 31 May 2019.

	<b>1 June 2018</b> \$	<b>31 May 2019</b> \$
Inventory	8 220	<b>To be calculated</b>
Trade payables	18 900	26 500
Trade receivables	19 400	23 700
Carriage inwards		3 695
Carriage outwards		4 240
Payments to credit suppliers		178 000
Revenue		219 000

Saoirse wishes to increase her allowance for doubtful debts from 3% of trade receivables to 4% of trade receivables.

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

Niamh provided the following information for the year ended 31 March 2019.

**Machinery at 1 April 2018**

Cost account balance \$66 500

Accumulated depreciation account balance \$19 500

On 1 January 2019 a machine was purchased for \$8 200. This was installed at a cost of \$1 100

Payment was made by cheque.

**Motor vehicles at 1 April 2018**

Cost account balance \$42 000

Accumulated depreciation account balance \$18 000

On 31 March 2019 a motor vehicle purchased on 1 April 2016 for \$16 000 was sold for \$6 400 cash.

Niamh charges depreciation using the reducing (diminishing) balance method at 10% per annum for machinery and 25% per annum for motor vehicles. A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

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

Violet and Wyn are in partnership sharing profits and losses in the ratio 2:1.

The partnership agreement provided for:

- interest of 6% on drawings
- interest of 8% on capital
- an annual salary of \$14 000 for Wyn.

<b>Balances at 30 April 2019</b>	<b>\$</b>
Bank	10 815
Cash	900
Capital account	
– Violet	55 000
– Wyn	75 000
Drawings	
– Violet	22 000
– Wyn	48 000
Inventory	16 285
Loan (2028)	30 000
Property, plant and equipment	
– cost	251 000
– accumulated depreciation	46 400
Trade payables	27 500
Trade receivables	68 100

The current account balances after appropriations were Violet \$54 400 and Wyn \$58 800

**Resource for Question 5 – Parts (a), (b), (e) and (f).**

**Data for parts (a) and (b).**

Storm2010 Ltd provided the following information for the year ended 31 March 2019.

	\$
Revenue	197 800
Cost of sales	127 384
Expenses	23 472

On 1 January 2019 \$12 000 was received from the issue of 20 000 ordinary shares at \$0.50 each at a premium of \$0.10 per share.

On 1 March 2019 a dividend of \$0.20 per share was paid on all issued shares.

**Data for parts (e) and (f).**

Windy1 Ltd provided the following information.

	Year ended 30 April	
	2018	2019
Revenue		\$188 000
Gross profit		\$135 360
Profit for the year		\$90 240
Gross profit as a percentage of revenue	68%	<b>To be calculated</b>
Profit for the year as a percentage of revenue	53%	<b>To be calculated</b>

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