

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 (d).

1 (a) Prepare the suspense account.

(6)

Suspense Account

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(b) Identify which **one** of the following is an error of principle.

(1)

- A** Payment for motor expenses entered in general expenses
- B** Payment for motor expenses entered in motor vehicles
- C** Payment for motor expenses not entered in the cash book
- D** Payment for motor expenses entered in the cash book twice

(c) Identify the book of original entry used to record goods returned to a supplier.

(1)

- A** Purchases day book
- B** Returns inwards day book
- C** Returns outwards day book
- D** Sales day book

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(c) Prepare the capital account for Tori.

(6)

Capital Account – Tori

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(d) Calculate the amount due to Usoa on the dissolution of the partnership.

(3)

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(Total for Question 2 = 22 marks)

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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 (e).

- 3** (a) Prepare a journal entry to record the irrecoverable debts to be written off for the year ended 30 September 2019.

A narrative **is** required.

(3)

Journal

Date	Account	Debit \$	Credit \$
30 September 2019			

- (b) (i) Calculate the allowance for doubtful debts at 30 September 2019.

(2)

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- (ii) Prepare the allowance for doubtful debts account for the year ended 30 September 2019. Balance the account on this date and bring the balance down on 1 October 2019.

(4)

Allowance for Doubtful Debts Account

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- (iii) Identify the effect on profit of an increase in the allowance for doubtful debts.

(1)

- A** Gross profit decrease
- B** Gross profit increase
- C** Profit for the year decrease
- D** Profit for the year increase

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You will need to use the data on **pages 5 and 6** of the Resource Booklet to answer parts (a), (b) and (c).

4 (a) Calculate the charge to the statement of profit or loss for the year ended 30 September 2019 for:

(i) profit or loss on disposal of office equipment

(1)

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(ii) depreciation charge – office equipment

(2)

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(iii) office wages.

(2)

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(b) Prepare the statement of profit or loss for the year ended 30 September 2019.

(13)

Akos
Statement of profit or loss for the year ended 30 September 2019

Area for writing the statement of profit or loss, consisting of horizontal dotted lines.

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(c) Calculate the value of inventory to be shown in the statement of financial position at 30 September 2019.

(3)

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(d) Identify which **one** of the following non-current assets would be more appropriate to be depreciated using the revaluation method.

(1)

- A** Computer equipment
- B** Delivery vehicle
- C** Loose tools
- D** Plant

(Total for Question 4 = 22 marks)

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You will need to use the data on **page 7** of the Resource Booklet to answer parts (b), (d) and (e).

5 (a) (i) Identify which **one** of the following is **not** an accounting concept. (1)

- A Business entity
- B Confidentiality
- C Materiality
- D Realisation

(ii) Explain how the going concern concept is applied when a business is closing down. (2)

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(b) Complete the table for the year ended 31 October 2019. (6)

Ratio	Formula	Answer (correct to 2 decimal places)
Gross profit as a percentage of cost of sales (mark-up)		
Profit for the year as a percentage of revenue		
Rate of inventory turnover		



