

Pearson LCCI

Friday 6 September 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) and (b).

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

- A cheque payment, \$1 750 to a credit supplier, had been debited in the cash book. No other entries had been made.
- Cash sales, \$65, had been recorded as \$56
- Discount allowed, \$376, had been credited to the discount received account.
- Insurance included \$180 for Roelof's private motor vehicle.

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

The Bess Social Club provided the following information.

	1 June 2018 \$	31 May 2019 \$
Accumulated fund	35 393	To be calculated
Equipment		To be calculated
• cost	47 400	To be calculated
• accumulated depreciation	24 300	To be calculated
Bank deposit	–	150 000
Cash at bank	2 335	1 293
Inventory	15 880	19 005
Subscriptions in advance	858	1 200
Subscriptions in arrears	450	546
Trade payables	5 514	4 740

On 1 March 2019 equipment that had cost \$12 000 with a carrying value of \$5 600 was sold.

On 1 April 2019 equipment was purchased for \$1 350

Equipment is depreciated at 20% per annum using the straight line method.
Depreciation is charged for each month of ownership.

During the year ended 31 May 2019 the club received \$32 226 for subscriptions and a donation of \$150 000

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

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

	1 April 2018 \$	31 March 2019 \$
Inventory		
• Raw materials	87 100	99 700
• Work in progress	38 870	42 960
• Finished goods	21 130	18 940
Other payables – royalties	9 220	6 100
Carriage inwards		1 485
Carriage outwards		7 010
Depreciation – factory machinery		18 300
Factory supervisor salary		19 700
General expenses		65 400
Purchases of raw materials		244 380
Royalties paid		57 400
Wages – production staff		42 350

- General expenses are apportioned 70% to the factory and 30% to administration.

Resource for Question 4 – Parts (a), (d), (e) and (f).

Data for part (a).

Azhar provided the following information at 31 December 2018.

	\$
Revenue	576 000
Cost of sales	252 000
Gross profit	324 000
Trade receivables	70 400
Trade payables	27 300

Data for parts (d) and (e).

On 1 January 2019 Azhar purchased a photocopier at a cost of \$24 000

He paid a deposit of \$6 500 by cheque with the balance of \$17 500 being financed by an 8% loan repayable in full in five years.

The photocopier will have a useful life of six years when it will be sold for \$6 000

Data for part (f).

Azhar is considering purchasing a motor vehicle to replace one which is currently rented at an annual cost of \$5 000. The total cost of the vehicle, \$30 000, will be paid by cheque.

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

Taun Ltd provided the following information.

At 1 August 2018	\$
Share capital (ordinary shares of \$0.50 each)	68 000
Share premium	13 000
9% debentures (2022)	45 000
Retained earnings	16 190

On 1 February 2019 \$45 000 7% debentures (2025) were issued.

On 1 May 2019 \$9 000 was received from the issue of 5 000 ordinary shares.

On 1 June 2019 an ordinary dividend of \$0.25 per share was paid.

On 31 July 2019 the draft profit for the year was \$122 000 before adjusting for closing inventory that had been overvalued by \$36 200 and debenture interest.

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