

Pearson LCCI

**Monday 13 January 2020**

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), (c), (d) and (e).**

Tom provided the following information.

| Non-current asset | At 1 January 2019 |                                   | Depreciation method                          |
|-------------------|-------------------|-----------------------------------|--|
|                   | Cost<br>\$        | Accumulated<br>depreciation<br>\$ |  |
| Motor vehicles    | 76 600            | 28 304                            | 20% per annum reducing (diminishing) balance |
| Office equipment  | 23 200            | 4 800                             | 10% per annum straight line                  |

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

On 1 June 2019 a motor vehicle was sold for \$15 800. This was originally purchased on 1 April 2017 for \$24 400

On 1 September 2019 Tom received the following invoice.

| Kernow Copiers<br>Park Road Truro TR1 2AW |                        | Invoice                                 |
|---|------------------------|---|
| Customer: Tom                             |                        | Number: 33663<br>Date: 1 September 2019 |
| Quantity                                  | Description            | Total cost<br>\$                        |
| 1   | Photocopier model B015 | 2 450                                   |
| 5 boxes                                   | Printer paper          | 50                                      |
| <b>Total</b>                              |                        | <b>2 500</b>                            |
| Terms: 30 days net                        |                        |   |

**There is no resource for Question 2.**

**Resource for Question 3 – Parts (d), (e) and (f).**

Hixon Sports Club provided the following information.

|                          | <b>1 December<br/>2018<br/>\$</b> | <b>30 November<br/>2019<br/>\$</b> |
|--------------------------|-----------------------------------|------------------------------------|
| Cash at bank             | 300                               | 350                                |
| Non-current assets       | 68 300                            | 96 400                             |
| Subscriptions in advance | 1 530                             | 1 710                              |
| Subscriptions in arrears | 560                               | 340                                |
| Trade payables           | 860                               | 730                                |

During the year ended 30 November 2019, \$15 620 was received by cheque for subscriptions. This included \$480 from those in arrears at 1 December 2018. The remaining balance was written off.

**Resource for Question 4 – Parts (d) and (e).**

Wu and Xi, manufacturers, are in partnership sharing profits and losses in the ratio 3:2.

The partnership agreement provided for:

- interest of 8% on total drawings
- interest of 8% on closing capital
- an annual salary of \$18 000 for Wu.

| Partner | On 1 December 2018    |                       | For the year ended<br>30 November 2019 |
|---------|-----------------------|-----------------------|--|
|         | Capital Account<br>\$ | Current Account<br>\$ | Drawings<br>\$                         |
| Wu      | 80 000                | 11 200                | 18 000                                 |
| Xi      | 45 000                | 8 600 Dr              | 30 000                                 |

Profit for the year ended 30 November 2019 was \$85 400

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

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

Plat3 Ltd provided the following information in addition to the statement of changes in equity for the year ended 31 October 2019 on page **14** of the question paper.

The company received \$21 000 from an issue of ordinary shares of \$0.50 each at a premium of \$0.25 and paid a dividend of \$0.10 per share on all issued shares.

**Extract of the statement of profit or loss**

|               | <b>\$</b> |
|---------------|-----------|
| Revenue       | 178 300   |
| Cost of sales | 41 200    |
| Expenses      | 85 400    |

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

|                                 | <b>2018</b> | <b>2019</b> |
|---------------------------------|-------------|-------------|
| Current (working capital) ratio | 2.2:1       | 1.8:1       |
| Liquid (acid test) ratio        | 0.9:1       | 0.6:1       |
| Current liabilities             |             | \$34 000    |



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