

# Pearson LCCE

## Tuesday 17 November 2020

Time: 3 hours

Paper Reference **ASE20093**

### Certificate in Bookkeeping and Accounting (VRQ) Level 2

Please check the examination details above before entering your learner information

Learner name

Centre/Learning Provider ID

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Learner National/Passport ID (if required)

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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, Pearson learner ID, centre/learning provider ID and your learner national/passport ID (if required).
- 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 ☒.

You will need to use the data on **page 2** of the Resource Booklet to answer parts (a), (b) and (c).

- 1 (a) (i) Prepare the opening journal entry. A narrative **is** required.

(5)

**Journal**

<b>Date</b>	<b>Account</b>	<b>Debit \$</b>	<b>Credit \$</b>
1 August 2019			

- (ii) State **two other** uses of the journal.

(2)

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- 2 .....

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(b) Prepare the equity account for the year ended 31 July 2020. Balance the account on this date and bring the balance down on 1 August 2020.

(5)

**Equity Account**

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(c) Prepare the corrected trade payables ledger control account for the year ended 31 July 2020. Balance the account on this date and bring the balance down on 1 August 2020.

(5)

**Trade Payables Ledger Control Account**

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(d) Identify where the trade payables ledger control account will appear in a business maintaining a full set of books of account.

(1)

- A** General journal
- B** General ledger
- C** Trade payables ledger
- D** Trade receivables ledger

(e) (i) Identify the type of error made if a cash purchase of \$51 is recorded as \$15

(1)

- A** Commission
- B** Compensating
- C** Omission
- D** Original entry

(ii) Explain **one** reason why the preparation of a trial balance would not identify this error.

(2)

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**(Total for Question 1 = 21 marks)**

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

**2** (a) Identify which of the following are included in prime cost.

- 1 Royalties
- 2 Production supervisor wages
- 3 Production workers wages

(1)

- A** 1, 2 and 3
- B** 1 and 2 only
- C** 1 and 3 only
- D** 2 and 3 only

(b) Prepare the general expenses account for the year ended 31 July 2020. Balance the account on this date and bring the balance down on 1 August 2020.

(6)

**General Expenses Account**

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(c) Prepare an extract of the manufacturing account for the year ended 31 July 2020 to show the production cost.

(5)

**Jordan**  
**Manufacturing account for the year ended 31 July 2020**

	\$	\$
<b>Prime cost</b>		66 400
<b>Production cost</b>		

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(d) Prepare the statement of profit or loss for the year ended 31 July 2020.

(10)

**Jordan**  
**Statement of profit or loss for the year ended 31 July 2020**

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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) and (c).

**3** (a) Calculate the:

(i) accumulated depreciation on the equipment sold (2)

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(ii) profit/loss on disposal (1)

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(iii) depreciation charge for the year ended 31 May 2020. (3)

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(b) Prepare the following accounts for the year ended 31 May 2020. Balance the accounts on this date and bring the balances down on 1 June 2020.

(9)

**Equipment – Cost Account**

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**Equipment – Accumulated Depreciation Account**

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(c) Calculate the adjusted profit for the year ended 31 May 2020.

(3)

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**(Total for Question 3 = 18 marks)**



You will need to use the data on **page 5** of the Resource Booklet to answer parts (d) and (f).

4 (a) Identify which **one** of the following is a capital receipt. (1)

- A** Depreciation of cafe equipment
- B** Loan to purchase cafe equipment
- C** Loan interest
- D** Loan repayment

(b) Identify where a legacy received would be shown in the statement of financial position. (1)

- A** Accumulated fund
- B** Current assets
- C** Current liabilities
- D** Non-current assets

(c) Identify, indicating with a tick (✓), where **each** item would be shown. (5)

	Receipts and payments account	Income and expenditure account
Bank loan		
Cafe profit		
Depreciation – equipment		
Profit on sale – equipment		
Sale proceeds – equipment		

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(d) (i) Complete the subscriptions account for the year ended 30 September 2020. Balance the account on this date and bring the balance down on 1 October 2020.

(4)

**Subscriptions Account**

Date	Details	\$	Date	Details	\$
			1 October 2019	Balance b/d	2 175

(ii) Explain the entry in the subscriptions account on 1 October 2019.

(2)

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(e) Explain how the club should account for the receipt of a life membership.

(2)

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(f) (i) Calculate the purchases for the year ended 30 September 2020.

(1)

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(ii) Prepare the cafe's trading account for the year ended 30 September 2020.

(5)

**Cafe**  
**Trading account for the year ended 30 September 2020**

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**(Total for Question 4 = 21 marks)**

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

5 (a) Complete the table for the year ended 31 March 2020.

(4)

Ratio	2020	2019
Gross profit as a percentage of cost of sales (mark-up)		186%
Gross profit as a percentage of revenue (margin)		65%
Profit for the year as a percentage of revenue		14%
Return on capital employed (ROCE)		15%

(b) Assess the change in profitability over the last year.

(4)

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