Pearson LCCI

Tuesday 6 April 2021

Time: 3 hours | Paper Reference **ASE20093**

Certificate in Bookkeeping and Accounting (VRQ)

Level 2

Resource Booklet

Do not return this 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 (c), (d) and (e).

On 31 December 2020 Tammy's trial balance did not balance. The difference was posted to a suspense account.

She identified the following errors.

- Cash sales, \$314, had been entered in the sales account correctly. No other entries had been made.
- Goods sold on credit, \$61 440, had been recorded in the sales day book as \$16 440
- Returns inwards, \$1 765, had been credited in the returns outwards account.
- Bank interest paid, \$101, had been debited in the cash book and credited in the bank interest received account.

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

Ojie, a manufacturer, provided the following information for the year ended 31 March 2021.

	1 April 2020 $	31 March 2021 $
Factory machinery – cost – accumulated depreciation	 41 900 13 780	 42 420 **To be calculated**
Inventory – raw material – work in progress – finished goods	 14 120 15 910 28 140	 16 360 25 900 19 370
Other payables – royalties	830	925
Trade payables	34 190	38 050
Carriage inwards		237
Other receivables – general expenses		1 460
Payments to credit suppliers		483 057
Production staff wages		89 770
Royalties		19 236

On 31 March 2021 factory machinery with a carrying value of $840 was sold for $1 688 and new factory machinery was purchased costing $3 470

Factory machinery is depreciated at 15% per annum using the straight line method. A full year's depreciation is charged in the year of purchase and none in the year of disposal.

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

Ben and Jack are in partnership.

	On 1 April 2020	
Partner	**Capital account $**	**Current account $**
Ben	30 000	140 Dr
Jack	30 000	3 200

On 31 March 2021	**$**
Bank	5 565 Cr
Cash	75
Drawings – Ben	11 000
Inventory	19 270
Loan (2021)	10 000
Loan (2026)	40 000
Property, plant and equipment – cost – accumulated depreciation	 168 750 31 610
Trade payables	690
Trade receivables	6 830

Ben and Jack
Appropriation account for the year ended 31 March 2021

	$	$
Profit for the year		55 000
Interest on drawings		
Ben		770
		55 770
Interest on capital		
Ben	1 500	
Jack	1 500	(3 000)
		52 770
Salary – Ben		(3 800)
		48 970
Share of profit		
Ben		24 485
Jack		24 485
		48 970

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

Oshan provided the following information for the year ended 31 January 2021.

	1 February 2020 $	31 January 2021 $
Motor vehicles – cost – accumulated depreciation	 63 600 41 200	 63 600 **To be calculated**
Inventory	7 410	**To be calculated**
Other payables – light and heat – rental income	 – 1 275	 380 1 450
6% bank loan (2031)	30 000	30 000

Bank Account (summary)

Receipts	$	Payments	$
Cash banked	124 960	Purchases	99 450
Rental income	16 500	Light and heat	2 110
		General expenses	18 635
		Loan interest	1 200

- All sales and purchases were on a cash basis.
- Cash was banked after deducting payments for general expenses $1 640 and purchases $2 700
- All goods are marked up by 25%.
- Motor vehicles are depreciated at 20% per annum using the reducing (diminishing) balance method.

There is no resource for Question 5.

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