

Pearson LCCI

Monday 11 January 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.

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Resource for Question 1 – Parts (b) and (c).

Data for part (b).

After preparing the trial balance Nazma identified the following errors.

- Equipment purchased, \$19 170, had been entered in the bank account correctly but had been debited to the drawings account.
- Cash sales, \$755, had been entered in the cash account correctly but entered in the sales account as \$577
- Wages, \$5 500, had been credited to the cash account. No other entries had been made.
- Cash, \$250, taken by Nazma for her own use, had been credited to the drawings account. No other entries had been made.

Data for part (c).

At 1 January 2020 the plant and equipment account balances were:

- cost \$60 000
- provision for depreciation \$26 590

During the year ended 31 December 2020 equipment purchased was \$19 170

Plant and equipment is depreciated at 15% per annum using the reducing (diminishing) balance method. A full year's depreciation is charged in the year of purchase and none in the year of disposal.

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

Kostas, a manufacturer, provided the following information for the year ended 30 June 2020.

	1 July 2019 \$	30 June 2020 \$
Inventory		
– raw material	10 310	15 540
– work in progress	11 310	12 900
– finished goods	27 100	28 300
Loose tools at valuation	3 730	3 610
Production machinery		
– cost	104 200	104 200
– accumulated depreciation	36 200	To be calculated
Other payables – production staff wages	1 060	940
Other receivables – factory rent	6 000	7 200
Carriage inwards		3 970
Carriage outwards		2 380
Factory rent paid		81 000
General expenses		44 000
Purchases		
– raw materials		141 240
– loose tools		250
Royalties		11 200
Supervisor salary		34 000
Wages paid – production staff		171 900

- General expenses are apportioned 70% to the factory and 30% to administration.
- The supervisor's salary is apportioned 65% to the factory and 35% to administration.
- Production machinery is depreciated at 15% per annum using the straight line method.
- Loose tools are depreciated using the revaluation method.

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

The Tennis Club provided the following information.

	1 December 2019	30 November 2020
	\$	\$
Sports equipment		
– cost	37 900	41 600
– accumulated depreciation	12 100	16 340
Cash at bank	3 495	1 930
Subscriptions in advance	1 250	1 390
Subscriptions in arrears	1 480	1 040

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

Noor provided the following information for the year ended 30 June 2020.

	1 July 2019 \$	30 June 2020 \$
Property	200 000	200 000
Inventory	7 660	6 470
Other receivables – rental income	1 600	1 900
Trade payables	6 730	8 070
General expenses		61 052
Payments to credit suppliers		87 490
Receipts from rental income		21 500
Returns outwards		830
Revenue		148 600
Wages		6 840

All sales were on a cash basis and all purchases were on a credit basis.

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

Kaux Ltd provided the following information at 31 October 2020.

Data for part (a).

Revenue \$	Cost of sales \$	Gross profit \$	Trade receivables \$	Trade payables \$
1 062 500	850 000	212 500	112 000	96 000

- All sales and purchases were on credit.
- There were no changes to inventory during the year.

Data for parts (b) and (c).

On 1 November 2019 Kaux Ltd had 480 000 ordinary shares of \$0.50 each.

On 1 May 2020 \$176 000 was received from an issue of ordinary shares at a premium of \$0.30 per share.

On 1 October 2020 an ordinary dividend of \$0.12 per share was paid on all shares in issue on that date.

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