

Pearson LCCI

Tuesday 4th December 2018

Time: 3 hours

Paper Reference **ASE20104**

Certificate in Accounting (VRQ)

Level 3

Please check the examination details above before entering your candidate information

Candidate name

Centre Code

--	--	--	--	--	--	--	--

Candidate Number

--	--	--	--	--	--	--	--

Candidate ID Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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, candidate number, centre code and your candidate ID number.
- 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 ►

P57550A

©2018 Pearson Education Ltd.

1/1/1/1



Pearson

Jung plc
Statement of financial position at 30 June 2018

Handwritten response area with horizontal dotted lines.

(Total for Question 1 = 21 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(b) Calculate, at 31 March 2018, for the group:

(i) retained earnings

(3)

.....

.....

.....

.....

.....

(ii) non-controlling interest

(3)

.....

.....

.....

.....

.....

(iii) equity attributable to the shareholders of Parellel plc

(1)

.....

.....

(iv) total equity.

(1)

.....

.....

(c) State the meaning of the term 'non-controlling interest'.

(1)

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) State **two other** financial statements Seconmary Ltd must prepare in addition to the financial statements provided.

(2)

1

2

(Total for Question 2 = 19 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE



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

- 3** (a) (i) Calculate the value of inventory using the weighted average cost (AVCO) method.

(3)

Receipts	Issues	Balance
		5 000 @ \$4.50 per unit
20 000 @ \$5.00 per unit		
	15 000 units	

- (ii) Calculate the change in the value of inventory.

(1)

- (b) Explain how the profit for the year was affected by the change in the method of inventory valuation from first-in, first-out (FIFO) to weighted average cost (AVCO).

(3)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(c) Complete the adjustment columns of the extended trial balance extract at 30 September 2018.

(10)

Chang Li
Extended trial balance extract at 30 September 2018

	Balance	Adjustments	
		Debit	Credit
	\$	\$	\$
Allowance for doubtful debts	4 875		
Carriage inwards	4 250		
Carriage outwards	6 795		
Closing inventory – statement of financial position	50 000		
Closing inventory – statement of profit or loss	50 000		
Equity	50 000		
Loans	15 000		
Motor expenses	8 125		
Motor vehicles	20 000		
Purchases	154 750		
Revenue	238 900		
Trade payables	23 675		
Trade receivables	32 950		
Allowance for doubtful debts adjustment			
Suspense			



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(d) Discuss whether Chang Li should continue as a sole trader or convert to a private limited company.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 3 = 22 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE



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

- 4 (a) Identify, indicating with a **tick** (✓), whether each statement is a characteristic of absorption costing or marginal costing.

(4)

Statement	Absorption costing	Marginal costing
Based on behaviour of costs.		
Used for long-term decision making.		
Used to value inventory according to IAS 2.		
Used to set the selling price for special orders.		

- (b) Calculate the break-even point in units for **October 2018**.

(3)

Formula

.....

.....

Calculation

.....

.....

- (c) Calculate the profit for **October 2018** using:

- (i) absorption costing

(3)

.....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(ii) marginal costing.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(d) Evaluate the performance of both businesses.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 4 = 20 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE



You will need to use the data on **page 7** of the Resource Booklet to answer parts (b) and (c).

5 (a) (i) State **two** reasons why the providers of external finance may be interested in a cash budget.

(2)

1

.....

2

.....

(ii) State **one other** external stakeholder who may be interested in a cash budget.

(1)

.....



(b) Prepare a cash budget for **each** of the three months ending 31 March 2019.

(5)

Christina
Cash budget for the three months ending 31 March 2019

	January \$	February \$	March \$

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(c) Prepare the budgeted statement of profit or loss for the period ending 31 March 2019.

(8)

Christina
Budgeted statement of profit or loss for the period ending 31 March 2019

Area for writing the budgeted statement of profit or loss, consisting of multiple horizontal dotted lines.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) Explain **one** way Christina can improve her cash inflows.

(2)

.....

.....

.....

.....

(Total for Question 5 = 18 marks)

TOTAL FOR PAPER = 100 MARKS

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE



P 5 7 5 5 0 A 0 1 9 2 0

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

