

Pearson LCCI

Tuesday 3 December 2019

Time: 3 hours

Paper Reference **ASE20104**

Certificate in Accounting (VRQ)

Level 3

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.

You will need to use the data on **pages 2 and 3** of the Resource Booklet to answer parts (a) and (b).

1 (a) Calculate the profit for the year ended 30 November 2019. (4)

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(b) Prepare the statement of financial position at 30 November 2019. (18)

Space for workings

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Bokak Ltd
Statement of financial position at 30 November 2019

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(Total for Question 1 = 22 marks)

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You will need to use the data on **page 4** of the Resource Booklet to answer parts (c), (d) and (e).

2 (a) State **one** purpose of: (2)

management accounting

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financial accounting.

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(b) State **two** limitations of budgetary control. (2)

1

2

(c) Calculate at 31 March 2020:

(i) the value of inventory (1)

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(ii) trade payables. (2)

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(d) Calculate the amount to be received from sales for **each** month from January 2020 to March 2020.

(6)

2020	January \$	February \$	March \$
Cash sales			
Credit sales			
Total			

(e) Prepare an extract of the budgeted statement of financial position at 31 March 2020, showing the **assets section** only.

(4)

Neha
Budgeted statement of financial position at 31 March 2020

Assets

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(f) State **one** stakeholder who may be interested in Neha's budgeted statement of financial position.

(1)

(Total for Question 2 = 18 marks)



You will need to use the data on **page 5** of the Resource Booklet to answer part (b).

3 (a) State **two** accounting concepts applied when preparing financial statements. (2)

1

2

(b) Complete the adjustment columns of the extended trial balance extract at 30 November 2019. (10)

Megan			
Extended trial balance (extract) at 30 November 2019			
	Balances	Adjustments	
	\$	Debit \$	Credit \$
Allowance for doubtful debts	3 750		
Bank	2 575		
Cash	278		
Discount allowed	3 750		
Discount received	2 400		
Drawings	15 000		
General expenses	9 460		
Insurance	6 000		
Irrecoverable debts	550		
Purchases	98 500		
Rental income	5 700		
Sales	187 750		
Trade payables	38 950		
Trade receivables	45 000		
Other payables			
Other receivables			
Suspense			

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(c) Discuss whether Megan should form a partnership with another sole trader.

You **must** justify your decision.

(5)

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(d) State the name of the additional financial statement prepared for a partnership.

(1)

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(Total for Question 3 = 18 marks)

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

4 (a) Calculate the profit for Year 4. (1)

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(b) Calculate the accounting rate of return. (4)

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(c) (i) Calculate the net cash inflow for Year 1. (1)

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(ii) Calculate the payback period in years and months. (1)

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(d) Explain to the directors why the **net present value** method of capital investment appraisal is considered better than:

(4)

Payback

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Accounting rate of return.

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(e) Calculate the number of units that need to be sold to make a profit of \$69 000

(3)

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(f) Calculate the total profit for the year ended 30 November 2019.

(4)

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(g) Explain what action Zed Ltd should take if a customer offers to purchase units at \$20 each.

(2)

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(Total for Question 4 = 20 marks)

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You will need to use the data on **pages 7 and 8** of the Resource Booklet to answer parts (a), (b) and (d).

- 5 (a) Complete the schedule of non-current assets for the year ended 30 November 2019.

(9)

Sohalna Ltd			
Schedule of non-current assets for the year ended 30 November 2019			
	Land and buildings	Machinery	Total
	\$	\$	\$
Cost/valuation			
Balance at 1 December 2018	650 000	200 000	850 000
Revaluation			
Additions			
Disposals			
Balance at 30 November 2019			
Accumulated depreciation			
Balance at 1 December 2018	125 000	68 780	193 780
Revaluation			
Charge for the year			
Disposals			
Balance at 30 November 2019			
Carrying value			
At 30 November 2019			
At 30 November 2018	525 000	131 220	656 220

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(b) Prepare a reconciliation of profit for the year to net cash from operating activities for the year ended 30 November 2019.

(6)

Sohalna Ltd
Reconciliation of profit for the year to net cash from operating activities for the year ended 30 November 2019

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(c) State **two** ways a company may finance the purchase of new premises.

(2)

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Sohalna Ltd is planning to invest in either Nima Ltd or Rosie Ltd.

(d) Evaluate which business is better to invest.

(5)

(Total for Question 5 = 22 marks)

TOTAL FOR PAPER = 100 MARKS

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