

Pearson LCCE

Monday 18 November 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

L	P	-												
---	---	---	--	--	--	--	--	--	--	--	--	--	--	--

Pearson Learner ID

L	-													
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--

Learner National/Passport ID (if required)

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

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 ►

P64529A

©2019 Pearson Education Ltd.

1/1/1




Pearson

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 part (b).

- 1** (a) State, for a public limited company (plc), the minimum:
- (i) amount of share capital (1)
 - (ii) number of directors. (1)
- (b) Prepare the statement of profit or loss for the year ended 31 August 2019. (20)

Space for workings

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



Surcoll Ltd
Statement of profit or loss for the year ended 31 August 2019

Area for writing the answer, consisting of multiple horizontal dotted lines.

(Total for Question 1 = 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



You will need to use the data on **page 4** of the Resource Booklet to answer part (a).

- 2 (a) Complete the adjustment columns of the extended trial balance extract at 31 July 2019.

(13)

Harvin			
Extended trial balance extract at 31 July 2019			
		Adjustments	
	\$	Debit \$	Credit \$
Closing inventory – statement of financial position	35 490		
Closing inventory – statement of profit or loss	35 490		
Discount allowed	875		
Discount received	925		
Disposal	480		
Equity at 1 August 2018	54 550		
Fixtures and fittings	13 200		
Other payables	5 800		
Other receivables	2 500		
Premises	50 000		
Purchases	148 260		
Revenue	212 450		
Stationery	1 825		
Trade payables	56 780		
Trade receivables	68 470		
Wages	25 680		

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) State the name of **two other** columns on an extended trial balance.

(2)

1

2

(c) Identify, indicating with a tick (✓), the effect on the profit for the year of the correction of **each** adjustment.

(5)

Adjustment	Increase	Decrease	No effect
Discount allowed of \$45 had been debited to the discount received account.			
The purchase of stationery, \$125, by Harvin had not been recorded as he paid for this with his own credit card.			
Closing inventory included damaged items costing \$780, which could be sold for 50% of the normal selling price, \$1 014			
A payment for an extension to the premises was recorded as wages \$1 000 and purchases \$3 000			
The balance on the disposal account, \$480 debit, represents the carrying value of a non-current asset that was disposed of. The proceeds, \$450, had been recorded incorrectly in the sales day book. This amount was still outstanding on 31 July 2019.			

(Total for Question 2 = 20 marks)



You will need to use the data on **pages 5 and 6** of the Resource Booklet to answer parts (a) and (b).

- 3 (a) Prepare the statement to reconcile the profit for the year to net cash from operating activities for the year ended 30 September 2019.

(5)

Wolham plc
Reconciliation of profit for the year to net cash from operating activities for the year ended 30 September 2019

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

- (b) Prepare the statement of cash flows for the year ended 30 September 2019.

(6)

Space for workings

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

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



Wolham plc
Statement of cash flows for the year ended 30 September 2019

Area with horizontal dotted lines for writing the cash flow statement.

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) State **two** benefits of the change in cash and cash equivalents.

(2)

1

2

(d) Explain **one** reason why a share premium account is created.

(2)

.....

.....

.....

(e) State, indicating with a tick (✓), whether **each** reserve is distributable or non-distributable.

(4)

	Distributable	Non-distributable
General reserve		
Retained earnings		
Revaluation reserve		
Share premium		

(Total for Question 3 = 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



P 6 4 5 2 9 A 0 9 1 6

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

4 (a) Calculate for Machine B the:

(i) accounting rate of return

(4)

.....

.....

.....

.....

.....

.....

(ii) net present value.

You may show your answer in the table or the answer lines below.

(5)

Year	Net cash flows \$	Discount factor at 7%	Present value \$
0		1.000	
1		0.935	
2		0.873	
3		0.816	
4		0.763	
Net present value			

.....

.....

.....

.....

.....

.....

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) Evaluate whether Exe Ltd should purchase Machine A or Machine B.

You must justify your decision.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(c) Calculate the breakeven point for **year 1**.

(4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 4 = 18 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



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

- 5 (a) Prepare the trade receivables budget for the three-month period ending 31 January 2020.

(9)

Astrid
Trade receivables budget for the three-month period ending 31 January 2020

	2019		2020
	November \$	December \$	January \$
Opening balance			
Credit sales			
Receipts			
Discount allowed			
Closing balance			

- (b) Calculate the total receipts for **each** month.

You may show your answer in the table or lines below.

(3)

Receipts	2019		2020
	November \$	December \$	January \$
Cash sales			
Trade receivables			
Total receipts			

.....

.....

.....

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) Explain **one** benefit to Astrid of introducing cash sales.

(2)

.....

.....

.....

(d) State **two other** budgets that Astrid could prepare.

(2)

1

2

(e) Discuss whether Astrid was correct to offer customers a cash discount.

You must justify your decision.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 5 = 21 marks)

TOTAL FOR PAPER = 100 MARKS



P 6 4 5 2 9 A 0 1 3 1 6

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

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 6 4 5 2 9 A 0 1 5 1 6

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

