<b>Pearson LCCI</b>	
<b>Tuesday 8 Decemb</b>	er 2020
Time: 3 hours	Paper Reference <b>ASE20104</b>
Certificate in Ac	counting (VRQ)
Please check the examination details a	above before entering your learner information
Centre/Learning Provider ID  L P -	
Pearson Learner ID  L –  Learner National/Passport ID (if required)	
Council Italiana, assports (in equitor)	
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 ▶



P65375A
©2020 Pearson Education Ltd.



DO NOT WRITE IN THIS AREA

Answer ALL questions. Write your answers in the spaces provided.			
You will need to use the data on <b>page 2</b> of the Resource Booklet to answer parts (a), (b) and (c).			
(a) Calculate the original cost of the equipment sold.	(2)		
(b) Prepare the plant and equipment cost account for the year ended 30 June 2020.  Balance the account on this date and bring the balance down on 1 July 2020.	(4)		
Plant and Equipment Cost Account			

DO NOT WRITE IN THIS AREA

THIS AREA

DO NOT WRITE IN

(c) Complete the statement of changes in equity for the year ended 30 June 2020.

(10)

### OE4 Ltd Statement of changes in equity for the year ended 30 June 2020

	Share capital \$	Share premium \$	Revaluation reserve	Retained earnings \$	Total \$
Balance at 1 July 2019	174 000	34 800	-	88 300	297 100
Bonus issue					
Final dividend					
Rights issue					
Interim dividend					
Revaluation					
Profit for the year					
Balance at 30 June 2020					

(d) (i) Identify, indicating with a tick (✓), the section of a statement of cash flows where **each** item will be shown.

(2)

	Operating activities	Investing activities
Proceeds from disposal of equipment		
Profit/loss on disposal of equipment		

(ii) State **two** items that would be shown in the financing activities section of a statement of cash flows.

(2)

	I	 	 
_	~		
	)		

(e) Explain <b>one</b> reason why a company prepa	ares a statement of ca	sh flows. (2)	
	(Total for Q	uestion 1 = 22 marks)	

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 <b>page 3</b> of the Resource Booklet to answer parts (a) and (b).			
2 (a) Calculate the irrecoverable debt written off during the year ended 31 October 2020.	(2)		
	(3)		
(b) Prepare the statement of profit or loss for the year ended 31 October 2020.	(13)		
Space for workings			

DO NOT WRITE IN THIS AREA

Mark Statement of profit or loss for the year ended 31 October 2020		



DO NOT WRITE IN THIS AREA

(c)	Explain how the business entity concept applies when Mark takes goods for his own use.	(2)
(d	) State <b>two other</b> ratios that Mark can use to assess profitability in addition to profit for the year as a percentage of revenue.	(2)
2	(Total for Question 2 = 20	marks)

## 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 <b>page 4</b> of the Resource Booklet to answer this question.			
3	Prepare the consolidated statement of financial position at 31 March 2020.	(19)		
	Space for workings			

DO NOT WRITE IN THIS AREA

Bee plc Consolidated statement of financial position at 31 March 2020		
(Total for Question 3 = 19 marks)		



DO NOT WRITE IN THIS AREA

You will need to use the data on <b>page 5</b> of the Resource Booklet to answer parts (a), (c) and (d).		
4 (a) (i) Calculate the accounting rate of return for the proposed new machine.	(3)	
(ii) State <b>two other</b> methods of capital investment appraisal.	(2)	
<ul> <li>(iii) State <b>two</b> accounting concepts that apply when recording the purchase of non-current assets.</li> </ul>	(2)	
(b) Define the following terms:  breakeven point	(2)	
margin of safety.		

DO NOT WRITE IN THIS AREA

(c) Calculate the annual:	
(i) breakeven point in units	(3)
(ii) breakeyen point in revenue	
(ii) breakeven point in revenue	(1)
(iii) margin of safety in units	(1)
(iv) margin of safety in revenue.	
	(1)



DO NOT WRITE IN THIS AREA

d) Discuss whether Delts Ltd should accept the order.				
You must justify your decision.				
	(5)			
	(Total for Question 4 = 20 marks)			
	(Total for Question 4 – 20 marks)			

### DO NOT WRITE IN THIS AREA

### DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

ou will need to use the data on <b>page 7</b> of the Resource Booklet to answer part (a).		
<b>5</b> (a) Complete the cash budget for the three-month period ending 30 June 2021.	(14)	
Space for workings	(1-1)	

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

### Neroo Ltd Cash budget for the three-month period ending 30 June 2021

	April \$	May \$	June \$
Receipts			
Trade receivables (credit sales)			
$\triangleright$			
Total receipts			
Payments			
Cash purchases			
Wages			
General expenses			
Loan interest			
Loan repayment			
Total payments			
Net inflow / (outflow)			
Opening balance			
Closing balance			

DO NOT WRITE IN THIS AREA

early payment discount for payment withir  Evaluate this proposal in terms of profitab	ility and liquidity.
	(5)
Profitability	
Liquidity	
Evaluation	
	(Total for Question 5 = 19 marks)
	TOTAL FOR PAPER = 100 MARKS

DO NOT WRITE IN THIS AREA

### DO NOT WRITE IN THIS AREA

