Pearson LCCI	
Friday 9 April 2021	
Time: 3 hours	Paper Reference ASE20104
Certificate in Acc	
Learner name	ve before entering your learner information
Centre/Learning Provider ID L P -	
Pearson Learner ID 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 ▶



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Answer ALL que	stions. Write you	r answers in the	e spaces provided.

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

1	(a) Calculate the value of inventory at 31 January 2021.

(2)

(b) Prepare the statement of profit or loss for the year ended 31 January 2021. You may show your answer in the table or lines provided.

(20)

Plomear Ltd Statement of profit or loss for the year ended 31 January 2021

	\$
Revenue	
Cost of sales	
Gross profit	
Administrative expenses	
Distribution costs	
Profit from operations	
Finance costs	
Profit before tax	
Tax	
Profit for the year	

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Plomear Ltd Statement of profit or loss for the year ended 31 January 2021
(Total for Question 1 = 22 marks)



a) (i) Calculate the rental income received in advance at 31 March 2021.	(1)
(ii) Complete the adjustment columns of the extended trial balance extrac 31 March 2021.	t at (12)

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Cetan and Demelza Extended trial balance extract at 31 March 2021

	Balance	Adjustment	
	\$	Debit \$	Credit \$
8% bank deposit	25 000		
Bank	2 195		
Current account – Cetan	4 120		
Current account – Demelza	9 695		
Discount allowed	1 458		
Discount received	976		
Drawings – Cetan	16 200		
Drawings – Demelza	18 300		
General expenses	11 010		
Irrecoverable debts	980		
Motor expenses	3 990		
Rental income	2 625		
Trade payables	13 775		
Trade receivables	16 920		
Closing inventory – statement of financial position			
Closing inventory – statement of profit or loss			
Irrecoverable debts recovered			
Other payables			
Other receivables			



	ne in advance.		(2)
(c) Identify, indicating with a ti	ick (🗸), where each ite	em will be shown.	(4)
		I	1
	Statement of profit or loss	Appropriation account	Statement of financial position
Interest charged on bank loan			
-			
Interest charged on bank loan Interest owing on bank loan Interest on capital			
Interest owing on bank loan			



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

3 (a) Identify, indicating with a tick (\checkmark), how **each** is classified.

(2)

	Capital reserve	Revenue reserve
Retained earnings		
Revaluation reserve		

(b) Prepare the statement of changes in equity for the year ended 31 December 2020.

Golant Ltd
Statement of changes in equity for the year ended 31 December 2020

	Share capital \$	Share premium \$	Revaluation reserve \$	Retained earnings \$	Total \$
Balance at 1 January 2020					
Final dividend					
Rights issue					
Bonus issue					
Interim dividend					
Revaluation					
Profit/loss for the year					
Balance at 31 December 2020					

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Rati	io		Formula		
Asse	et turnover				
Inve	entory turnover				
(ii) Evalua	ate how a decre	ase in the inventor	ry turnover ratio o	could affect	
prome	ability.				(5)
			(Total fo	r Question 3	= 19 marks)
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			(Total fo	r Question 3	= 19 marks)
			(Total fo	r Question 3	= 19 marks)



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	\$
Purchase price	360 000
Residual value after 4 years	140 000
Selling price per unit	28
Variable cost per unit	13
Fixed costs per year: maintenance contract depreciation	32 500 55 000

(a) State **two** examples of a variable cost.

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L	Z

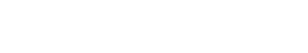
(3)

(b)	Calculate the annual:

(i) break-even point in units

(ii) margin of safety in units.

(1)





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	et present val				(5)
Yo	Year	Net cash flow	Discount factor at 8%	Present value \$	
	0	(360 000)	1.000	(360 000)	
	1		0.926		
	2		0.857		
	3		0.794		
	4		0.735		
	Net presen	t value			



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(iii) payback period in years and months.	(3)
(iv) Explain one reason why a business would calculate the payback period.	(2)
(Total for Question 4 = 19	marks)

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ou will need to use the cond (b).	data on page 6 of the	Resource Booklet to answer	parts (a)
(a) Prepare the trade	pavables budget for t	he three-month period endir	าต
31 October 2021.	payares is a aget to the	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-9
			(7
Space for workin	gs		
		_ •	
Trade navable		Daphne ee-month period ending 31	October 2021
made payable		ee mondi period ending 5	
	August	September	October
	<u> </u>	\$	\$
Opening balance			
Credit purchases			
-			
Payments			
Discount received			
Closing balance			

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				(1)
(ii)	Prepare the extract of the budgmonth period ending 31 Octob			(6)
Budge	eted statement of profit or loss	Daphne s for the three-m	onth period ending 31 Oct	
		\$	\$	
	Revenue			
	Cost of sales			
	Opening inventory			
	Purchases			
	Closing inventory			
	Gross profit			
no	te two expenses that may appe t in the cash budget.			(2)



Discuss whether Daphne should produce a cash budget. You must justify your decision.	
,	(5)
	(Total for Question 5 = 21 marks)
	TOTAL FOR PAPER = 100 MARKS