Pearson LCCI

Friday 9 April 2021

Time: 3 hours	Paper Reference **ASE20104**

Certificate in Accounting (VRQ)

Level 3

Resource Booklet

Do not return this Booklet with the question paper.

Instructions

- All workings and answers **must** be given in the question paper.
- Please note that any workings and answers written in the Resource Booklet will **not** be marked.

Turn over

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Resource for Question 1 – Parts (a) and (b).

Plomear Ltd provided the following information for the year ended 31 January 2021.

	$
Delivery vans – cost	164 000
Plant and equipment – cost	295 000
Opening inventory	87 200
Purchases	384 940
Returns inwards	14 180
Returns outwards	17 220
Carriage inwards	3 150
Revenue	973 000
Administrative expenses	40 840
Distribution costs	38 320

- Closing inventory was valued at cost, $63 890. This included damaged inventory that cost $2 810, which can only be sold for $2 500 after repairs, which will cost $645
- An irrecoverable debt of $1 270 is to be written off.
- The allowance for doubtful debts at 1 February 2020 was $2 305 and is to be maintained at 3% of trade receivables which were $85 570
- On 31 May 2020 an 8% bank loan of $75 000 was repaid.
- At 31 January 2021 distribution costs of $680 were accrued.
- All non-current assets are depreciated at 15% per annum using the straight line method.
- Depreciation on plant and equipment is apportioned in the ratio 4:1 between administrative expenses and distribution costs.
- The tax charge for the year was $131 160

Resource for Question 2 – Part (a).

Cetan and Demelza provided the following information in addition to the extended trial balance extract at 31 March 2021 on **page 5** of the question paper.

- Rental income, \$6 600, for the 12 months ending 31 August 2021 had been credited to Cetan's current account.
- Motor expenses included \$350 for repairs to Demelza's private car.
- Closing inventory, \$24 100, had not been recorded.
- Discount allowed, \$110, had been debited in the trade payables account and credited in the discount allowed account.
- Irrecoverable debts recovered, \$445, had not been recorded.

Resource for Question 3 – Part (b).

Golant Ltd provided the following information for the year ended 31 December 2020.

	1 January 2020 $	**31 December 2020 $**
Share capital (ordinary shares of $1 each)	84 000	**To be calculated**
Revaluation reserve	25 000	49 100
Share premium	41 000	400
Retained earnings	65 200	94 600

2020	
1 March	Paid a final dividend of $0.25 per share on all shares in issue on 1 January 2020.
1 April	Made a rights issue of one ordinary share for every three shares held at a premium of $0.15. The rights issue was fully subscribed.
1 June	Made a bonus issue of two ordinary shares for every five shares held. The directors decided to leave the reserves in the most flexible form.
1 July	Paid an interim dividend of $0.10 per share on all shares in issue at that date.
1 December	Property was revalued upwards.

There is no resource for Question 4.

Resource for Question 5 – Parts (a) and (b).

Daphne provided the following budgeted information.

	2021				
	June	**July**	**August**	**September**	**October**
Purchases (units)	1 050	1 075	1 025	1 100	1 120
Sales (units)	1 000	1 050	1 075	1 025	1 100

- Goods are purchased one month before sale.
- The purchase price is $40 per unit.
- 20% of purchases will be paid in cash in the month of purchase and 80% of purchases will be on credit.
- Of the credit purchases 60% will be paid in the month following purchase after taking a 5% early settlement discount. The remaining 40% of credit purchases will be paid two months after purchase.
- All sales are on a credit basis.
- The selling price is $85 per unit and will increase to $88 per unit on 1 October 2021.

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