

Pearson LCCI

Thursday 14 January 2021

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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Pearson

Kamilco Ltd
Statement of profit or loss for the year ended 30 September 2020

Area with horizontal dotted lines for writing the answer.

(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 part (a).

- 2 (a) Complete the adjustment columns of the extended trial balance extract at 31 October 2020.

(11)

Maria			
Extended trial balance extract at 31 October 2020			
	Balance	Adjustment	
		Debit	Credit
	\$	\$	\$
Advertising	3 420		
Allowance for doubtful debts	1 570		
Bank	3 240 Cr		
Carriage inwards	895		
Carriage outwards	1 380		
Insurance	2 760		
Purchases	102 100		
Revenue	195 420		
Trade payables	18 430		
Trade receivables	36 400		
Allowance for doubtful debts adjustment			
Closing inventory – statement of financial position			
Closing inventory – statement of profit or loss			
Other payables			
Other receivables			
Suspense			

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(b) Explain, referring to an appropriate accounting concept, why a business may make an allowance for doubtful debts.

(2)

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(c) (i) Explain the importance of a statement of financial position to a potential provider of finance.

(2)

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(ii) State **two other** stakeholders and their interest in the statement of financial position.

(4)

Stakeholder	Interest
1	
2	

(Total for Question 2 = 19 marks)

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

- 3** (a) Prepare the consolidated statement of profit or loss for the year ended 30 September 2020. (9)

Aye plc
Consolidated statement of profit or loss for the year ended 30 September 2020

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- (b) (i) Define the term ‘non-controlling interest’ (1)

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- (ii) State where, in the consolidated statement of financial position, the non-controlling interest appears. (1)

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

4 (a) State **one** purpose of calculating the:

(i) breakeven point

(1)

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.....

(ii) margin of safety.

(1)

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(b) Calculate for the current production the:

(i) breakeven point (units)

(3)

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(ii) breakeven point (revenue)

(1)

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(iii) margin of safety (units)

(1)

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(iv) margin of safety (revenue).

(1)

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

5 (a) State **two disadvantages** to a business of budgeting.

(2)

1

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2

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(b) Calculate the amount paid to credit suppliers for **each** of the three months.

(3)

January 2021 \$	February 2021 \$	March 2021 \$

(c) Prepare the trade payables budget for the three-month period ending 31 March 2021.

(6)

Trade payables budget for the three-month period ending 31 March 2021

	January 2021 \$	February 2021 \$	March 2021 \$
Opening balance			
Credit purchases			
Payments			
Discount received			
Closing balance			

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(d) Complete the cash budget for the three-month period ending 31 March 2021.

(8)

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Cash budget for the three-month period ending 31 March 2021

	January 2021 \$	February 2021 \$	March 2021 \$
Receipts			
Credit sales	52 000	80 000	82 000
Cash sales	6 000	8 000	9 000
Total receipts			
Payments			
Cash purchases			
Trade payables (credit purchases)			
Wages			
Bank interest			
Drawings			
Operating expenses	14 000	14 000	16 000
Total payments			
Net inflow / outflow			
Opening balance	(2 200)		
Closing balance			

(Total for Question 5 = 19 marks)

TOTAL FOR PAPER = 100 MARKS





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