

# Pearson LCCI

## Certificate in Financial Accounting (VRQ) Level 4

Tuesday 3 April 2018  
Time: 3 hours

Paper Reference  
**ASE20101**

Complete the details below in block capitals.

Candidate name

Centre Code

Candidate Number

Candidate ID Number

**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, candidate number, centre code and your candidate ID number.
- 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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**Hiflo plc**  
**Statement of profit or loss for the year ended 31 March 2018**

Area with horizontal dotted lines for writing the financial statement.

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(b) Prepare an extract of the statement of financial position at 31 March 2018 showing the equity and liabilities section only.

(9)

**Hiflo plc**  
**Extract from the statement of financial position at 31 March 2018**

**Equity and liabilities**

A series of horizontal dotted lines for writing the financial statement extract.

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Handwriting practice area with 22 horizontal dotted lines.

**(Total for Question 1 = 22 marks)**



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

- 2 (a) Complete the statement of changes in equity for the year ended 31 January 2018. (7)

**Blay plc**  
**Statement of changes in equity for the year ended 31 January 2018**

	<b>Share capital \$000</b>	<b>Share premium \$000</b>	<b>Revaluation reserve \$000</b>	<b>Retained earnings \$000</b>	<b>Total \$000</b>
At 1 February 2017	1 600	340	50	580	2 570
Final dividend					
Rights issue					
Bonus issue					
Interim dividend					
Buildings revaluation					
Profit for the year					
At 31 January 2018					

- (b) Explain the importance of the statement of changes in equity to the users of financial statements. (5)

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(c) Assess the performance of Blay plc in terms of:

(i) profitability

(3)

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(ii) efficiency.

(3)

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**(Total for Question 2 = 18 marks)**

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

**3** (a) Calculate at 31 December 2017:

(i) goodwill

(2)

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(ii) retained earnings

(3)

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(iii) non-controlling interest.

(2)

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(b) Prepare the consolidated statement of financial position of Paren plc at 31 December 2017.

(10)

**Paren plc**  
**Consolidated statement of financial position at 31 December 2017**

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(c) Explain to a shareholder of Paren plc why the non-controlling interest should appear in the consolidated statement of financial position.

(3)

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(d) Define the term 'associate company'.

(2)

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**(Total for Question 3 = 22 marks)**

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You will need to use the data on **pages 6 and 7** of the Resource Booklet to answer parts (a), (b) and (c).

4 (a) Calculate the depreciation charge for the year ended 31 March 2018.

(4)

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(b) Prepare a reconciliation of profit from operations to net cash flow from operating activities for the year ended 31 March 2018.

(6)

**Salfirm Ltd**  
**Reconciliation of profit from operations to net cash flow from operating activities**  
**for the year ended 31 March 2018**

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(c) Prepare a statement of cash flows for the year ended 31 March 2018.

(7)

**Salfirm Ltd**  
**Statement of cash flows for the year ended 31 March 2018**

Area for preparing the statement of cash flows, consisting of multiple horizontal dotted lines.

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(d) State **three** intangible assets as identified by IAS 38 Intangible assets.

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(Total for Question 4 = 20 marks)

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You will need to use the data on **page 8** of the Resource Booklet to answer part (d).

**5** (a) State **three** criteria that must be met before revenue from the sale of goods should be recognised according to IAS 18 Revenue.

(3)

1 .....

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(b) (i) State how an adjusting event differs from a non-adjusting event.

(2)

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(ii) State the accounting treatment of a non-adjusting event.

(2)

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(c) Explain the importance of accounting ratios to a business in measuring its business performance.

(2)

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Chai has inherited \$50 000 and wishes to invest this in a company.

- (d) Analyse the available data on Ewe plc and Vee plc.  
Recommend, with a justification, which company Chai should invest in.

(9)

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(Total for Question 5 = 18 marks)

**TOTAL FOR PAPER = 100 MARKS**

