

# Pearson LCCI

## Certificate in Financial Accounting (VRQ) Level 4

Monday 4 June 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 ►

P57530A

©2018 Pearson Education Ltd.

1/1



**Answer ALL questions. Write your answers in the spaces provided.**

You will need to use the data on **pages 2 and 3** of the Resource Booklet to answer parts (a) and (b).

- 1** (a) Prepare the statement of profit or loss for the year ended 31 May 2018.

**(13)**

**Space for workings**

Area with horizontal dotted lines for working out the answer.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



**Noblette plc**  
**Statement of profit or loss for the year ended 31 May 2018**

Area with horizontal dotted lines for writing the financial statement.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(b) Complete the schedule of non-current assets at 31 May 2018.

(8)

**Noblette plc**  
**Schedule of non-current assets at 31 May 2018**

<b>Cost/valuation</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 June 2017	3 500	1 246	400	5 146
Revaluation				
Disposals				
At 31 May 2018				
<b>Accumulated depreciation</b>				
At 1 June 2017	120	490	200	810
Charge for the year				
Revaluation				
Disposals				
At 31 May 2018				
<b>Carrying value</b>				
At 31 May 2018				
At 1 June 2017	3 380	756	200	4 336

**(Total for Question 1 = 21 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

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 **pages 4 and 5** of the Resource Booklet to answer parts (a) and (b).

**2** (a) Calculate at 30 April 2018:

(i) goodwill

(2)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(ii) retained earnings

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(iii) non-controlling interest.

(2)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



(b) Prepare the consolidated statement of financial position of Wardlow plc at 30 April 2018.

(10)

**Wardlow plc**  
**Consolidated statement of financial position at 30 April 2018**

Area for writing the consolidated statement of financial position, consisting of multiple horizontal dotted lines.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(c) Explain the term 'impairment of assets'.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 2 = 20 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

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 **page 6** of the Resource Booklet to answer parts (a) and (b).

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

(6)

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

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA







(c) State the section of the statement of cash flows where dividends received would be shown.

(1)

.....

(d) State **two** benefits to a company for revaluing non-current assets.

(2)

1 .....

.....

2 .....

.....

(e) (i) State **two** purposes of external audits.

(2)

1 .....

.....

2 .....

.....

(ii) State to whom the external auditors address their audit report.

(1)

.....

**(Total for Question 3 = 19 marks)**

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

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 **page 7** of the Resource Booklet to answer parts (a) and (d).

- 4 (a) Complete the statement of changes in equity for Ursule plc for the year ended 30 April 2018.

(12)

**Ursule plc**  
**Statement of changes in equity for the year ended 30 April 2018**

	Share capital \$000	Share premium \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 May 2017	1 000	180	3 200	1 940	6 320
Bonus issue					
Final dividend					
Rights issue					
Interim dividend					
Revaluation					
Profit for the year					
At 30 April 2018					

- (b) State **one** difference between a rights issue and a bonus issue.

(1)

.....

.....

- (c) State **two** features of preference shares.

(2)

1 .....

.....

2 .....

.....



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(d) Assess the performance of Ursule plc in terms of:

(i) profitability

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(ii) capital structure.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 4 = 21 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

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 **page 8** of the Resource Booklet to answer part (d).

**5** (a) Explain **one** purpose of International Financial Reporting Standards (IFRS). (2)

.....

.....

.....

(b) (i) State the formula for the asset turnover ratio. (1)

.....

(ii) Explain what the asset turnover ratio measures. (2)

.....

.....

.....

.....

(iii) Explain the importance to an investor of the asset turnover ratio. (2)

.....

.....

.....

.....

(c) (i) State the formula to calculate earnings per share. (1)

.....

(ii) Explain the importance to an investor of earnings per share. (2)

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) Analyse the available data for Aye plc and Bee plc. Recommend, with justification, which company Abell should invest in.

(9)

Area with horizontal dotted lines for writing the answer.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Handwriting practice area with 20 horizontal dotted lines.

**(Total for Question 5 = 19 marks)**

**TOTAL FOR PAPER = 100 MARKS**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**

