Pearson LCCI Tuesday 13 November 2018 Time: 3 hours Paper Reference ASE20101 Certificate in Financial Accounting (VRQ) Level 4 Please check the examination details above before entering your candidate information Candidate name Centre Code Candidate Number Candidate ID Number You must have: Resource Booklet (enclosed)

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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Answer ALL questions. Write your answers in the spaces provided.				
You will need to use the data on page 2 of the Resource Booklet to answer parts (b), (c) and (d)				
1 (a) State two reasons why a company prepares a statement of cash flows.	(2)			
1	(2)			
2				
(b) Calculate the profit from operations for the year ended 31 August 2018.	(3)			

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		oheen plc		(7)
Reconciliation of p	orofit from operation for the year e	ons to net cash flo Inded 31 August 2	w from operating 018	activities

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(d) Prepare the statement of cash flows for the year ended 31 August 2018.	(8)
Moheen plc Statement of cash flows for the year ended 31 August 2018	
(Total for Question 1 = 20 i	marks)

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You will need to use the data on **pages 3 and 4** of the Resource Booklet to answer parts (a), (c) and (d).

2 (a) Prepare the schedule of non-current assets at 31 July 2018.

(8)

Mallot plc Schedule of non-current assets at 31 July 2018

	Land and buildings \$	Plant and machinery \$	Motor vehicles \$	Total \$
Cost / Valuation				
At 1 August 2017	1 400 000	862 000	320 000	2 582 000
Revaluation				
Additions				
Disposals				
At 31 July 2018				
Accumulated depreciation				
At 1 August 2017	180 000	460 000	140 250	780 250
Charge for the year				
Revaluation				
Disposals				
At 31 July 2018				
Carrying value				
At 31 July 2018				
At 1 August 2017	1 220 000	402 000	179 750	1 801 750

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(b) State two differences between redeemable preference shares and irredeemable preference shares.	(2)
2	
(c) Prepare the following accounts: (i)	
Ordinary Share Capital Account	(3)
(ii)	(3)
Share Premium Account	

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(i) profitability	
	(3
(ii) liquidity.	
(,	(3
	(Total for Question 2 = 22 mark



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You will need to use the data on pages 5 of the Resource Booklet to answer parts (a), (b) and (c).					
3 (a) Calculate the following for the consolidated statement of profit or loss of Pallow plc for the year ended 31 August 2018:					
(i) cost of sales	(2)				
(ii) finance costs	(1)				
(b) Calculate the following for the consolidated statement of financial position of Pallow plc at 31 August 2018:					
(i) goodwill	(2)				

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(ii) retained earnings	(3)
(iii) non-controlling interest	(2)
	(2)



		Dellass I		(7)	
Conso	lidated stateme	Pallow plc nt of financial pos	sition at 31 August 2	2018	
sets					

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(d) State two reasons why intra-group transactions are excluded from the consolidated financial statements. (2)					
1					
2					
	(Total for Question 3 = 19 marks)				



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	u will need to use the data on page 6 of the Resource Booklet to answer parts and (b).	
4	(a) Calculate the revised profit for the year ended 30 September 2018.	(7)
	(b) Prepare the statement of changes in equity for the year ended 30 September 2018.	(7)

Deewal plc Statement of changes in equity for the year ended 30 September 2018

	Share capital \$000	Share premium \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 October 2017			10	38	
Bonus issue					
Rights issue					
Dividend paid					
Revaluation					
Profit for the year					
At 30 September 2018	132	17			

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than a new issue of shares.	(2)
One of the implications of non-submission of financial statements to statutory bodies that the directors will face a financial penalty.	
d) State two other implications.	(2)
	(2)
e) State two fundamental principles of professional ethics.	(2)
	(-/
(Total for Question 4 = 20 ma	rks)



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Yo	u will n	eed to use the data on page 7 of the Resource Booklet to answer part (c).	
5		plain the reason why Jay plc have treated each situation as indicated.	
		On 15 October 2018 the directors of Jay plc were informed that a major customer had been declared bankrupt owing \$20 000	
		The directors have written off the amount in the statement of profit and loss for the year ended 30 September 2018.	(2)
	(ii	The directors of Jay plc have declared a final dividend of \$0.10 per ordinary share relating to the financial year ended 30 September 2018.	
		The directors have not included this in the financial statements.	(2)
	(ii) Jay plc is suing a competitor for copying one of its products. The directors have been advised that it is highly probable that they will win the case.	
		The directors have not included this in the financial statements at 30 September 2018.	(2)

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b) Explain two reasons	why an ordinary sharehold	der would be correct to	be
concerned.	, a oraniar, orial criok		
			(4)
c) Analyse the available	a data for Wyo nic and 7ed	nlc Recommend with	iustification
	e data for Wye plc and Zed	plc. Recommend, with	justification,
c) Analyse the available which company Mya		plc. Recommend, with	justification,
		plc. Recommend, with	

