Pearson LCCI	
Tuesday 2 April 201	9
Morning/Aft (Time: 3 hours)	Paper Reference ASE20101
Certificate in Financ Level 4	ial Accounting (VRQ)
Please check the examination details about	ove before entering your candidate information
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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Answer ALL questions. Write your answers in the spaces provided.	
You will need to use the data on page 3 of the Resource Booklet to answer parts (a), (b) and	l (c).
1 (a) Calculate the adjusted profit for the year ended 31 March 2019.	4)
(b) Complete the statement of changes in equity for the year ended 31 March 2019.	<i>(</i>)

Farmell plc Statement of changes in equity for the year ended 31 March 2019

	Share capital \$000	Share premium \$000	Retained earnings \$000	Total \$000
Balance at 1 April 2018	2 000	390	1 240	3 630
Rights issue				
Final dividend				
Bonus issue				
Interim dividend				
Profit for the year				
Balance at 31 March 2019				

(i)		(4)
Or	dinary Share Capital Account	(-1)
(ii)		(3)
	Share Premium Account	
(d) State two responsibilities of t	he external auditor of a limited company	
		(2)

(e) Identify, indicating with a tick (✓), whether each event is an adjusting event or a non-adjusting event.

(2)

Event	Adjusting event	Non-adjusting event
A credit customer owing \$2 000 is declared bankrupt one week after the supplying company's financial year-end.		
A company declares a final dividend six weeks after the financial year-end.		

(Total for Question 1 = 21 marks)

You will need to use the data on **pages 4 and 5** of the Resource Booklet to answer parts (a) and (b).

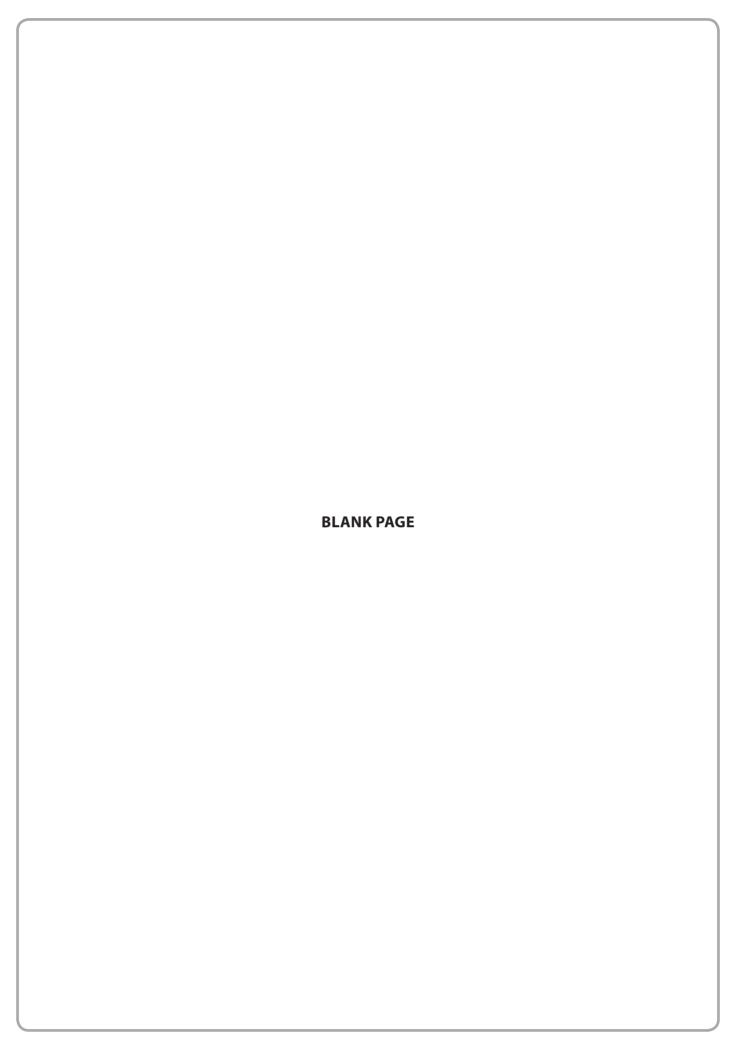
2 (a) Complete the extract of the statement of profit or loss for the year ended 31 December 2018 as indicated.

(4)

Raplay Ltd Statement of profit or loss for the year ended 31 December 2018

	\$
Profit from operations	
Profit for the year	87 000

(b) Prepare a reconciliation of profit from operations to the net cash flow from operating activities for the year ended 31 December 2018.	(14)
Raplay Ltd Reconciliation of profit from operations to net cash flow from operating activities for the year ended 31 December 2018	
(c) State two items that appear in the financed by section of a statement of cash flows.	(2)
(d) State two principles of revenue recognition for the sale of goods, in accordance with IAS 18 Revenue.	
	(2)



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You will need to use the data on pages 6 and 7 of the Resource Booklet to answer Question 3.				
3 (a) Explain one reason why it was necessary to show the property, plant and equipment of Haplet Ltd at fair value.				
	(2)			

b) Prepare the consolidated statement of profit or lo ended 31 December 2018.	oss for Mallax plc for the year (8)		
Mallax plc Consolidated statement of profit or loss for the year ended 31 December 2018			

(i) goodwill		
		(2)
(ii) retained ea	rnings.	(3)
		(5)

(i) Calculate the non-controlling interest at 31 December 2018.	(2)
(ii) Explain to the shareholders of Mallax plc the meaning of the figure calculated	
in (d)(i).	(2)
(Total for Question 3 = 19 ma	arks)

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

4 (a) Complete the schedule of non-current assets at 31 December 2018.

(11)

Parlot Ltd Schedule of non-current assets at 31 December 2018

	Land and buildings \$	Plant and machinery \$	Motor vehicles \$	Total \$
Cost / valuation				
At 1 January 2018	1 150 000	740 000	280 000	2 170 000
Revaluation				
Additions				
Disposals				
At 31 December 2018				
Accumulated depreciation				
At 1 January 2018	140 000	380 000	112 500	632 500
Charge for the year				
Revaluation				
Disposals				
At 31 December 2018				
Carrying value				
At 31 December 2018				
At 1 January 2018	1 010 000	360 000	167 500	1 537 500

				(2)
		Increase	Decrease	No effect
	Non-current assets carrying value			
	Operating expenses			
c)	Explain one reason why a revaluation re	eserve is created.		(3)
d)	State the two underlying assumptions of Preparation of Financial Statements	outlined in the IA	SB Framework fo	or the
d)	State the two underlying assumptions of Preparation of Financial Statements.	outlined in the IA	SB Framework fo	or the
d)		outlined in the IA	SB Framework fo	
d)				(2)
d)			SB Framework fo	(2)
d)				(2)
(d)				(2)
d)				(2)
d)				(2)
(d)				(2)
d)				(2)

) Assess the performance of Trapple Ltd in terms of:	
(i) profitability	
	(3)
(ii) efficiency.	
	(3)

(b) State two principles of professional ethics according to the IFAC Code of Ethics.	(2)
(c) Explain the importance to a potential investor of the dividend yield ratio.	(3)
Binti wishes to invest in a company. She has identified two companies, Eff plc and Gee plc, both operating in the same industry. (d) Analyse the data for the two companies and recommend, with justification, which	
investment Rinti should choose	
investment Binti should choose.	(9)
investment Binti should choose.	

(Total for Question 5 – 20 marks)
(Total for Question 5 = 20 marks)
(Total for Question 5 = 20 marks) TOTAL FOR PAPER = 100 MARKS