# Pearson LCCI Tuesday 8 June 2021 Time: 3 hours Paper Reference ASE20101 Certificate in Financial Accounting (VRQ) Level 4 Please check the examination details above before entering your learner information Learner name Centre/Learning Provider ID L P Pearson Learner ID Learner National/Passport ID (if required) 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, 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.

### 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.
- 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 (a) and (b). 1 (a) Calculate the balance of retained earnings at 31 March 2021. (5) (b) Prepare the statement of financial position at 31 March 2021. (17)Workings



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Mallikco plc Statement of financial position at 31 March 2021

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(Total for Question 1 = 22 marks)



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	) and (b).	odrts
2	(a) Prepare a reconciliation of profit from operating activities to net cash flow fr operating activities for the year ended 30 April 2021.	om (9)
	Alfijo plc Reconciliation of profit from operating activities to net cash flow to operating activities for the year ended 30 April 2021	from

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(i) net cash from/used in investing activities		
	(	(5)
(ii) net cash from/used in financing activities.		
(ii) Her cash from asea in financing activities.	(	(5)
c) State <b>two</b> benefits to a shareholder of the state	ment of cash flows	
state two benefits to a shareholder of the state		(2)
	(Total for Question 2 = 21 mark	cs)



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You will need to use the data on <b>pages 5 and 6</b> of the Resource Booklet to answer particle) and (c).	rts
<b>3</b> (a) Define the terms:	
(i) goodwill	(1)
(ii) significant interest	(1)
(iii) fair value.	(1)
(b) Prepare the consolidated statement of profit or loss for Parlov plc for the year ended 31 March 2021.	(10)
Workings	(10)
Workings	(10)
Workings	
Workings	

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Parlov plc Consolidated statement of profit or loss for the year ended 31 March 2021



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(c) Assess the change in liquidity of Sebbe Ltd.	(6)
(Total for Questic	on 3 = 19 marks)

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You will need to use the data on <b>page 7</b> of the Resource Booklet to answer part (b).  4 (a) Explain the purpose of the statement of changes in equity.	(2) WRITE IN THIS AREA
The balance of the revaluation reserve at 1 April 2020 was \$25 000 (b) (i) Calculate the balance of the revaluation reserve at 31 March 2021.	(3)
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(ii) Complete the statement of changes in equity for the year ended 31 March 2021.

(9)

### Splend plc Statement of changes in equity for the year ended 31 March 2021

	Share capital \$000	Share premium \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 April 2020			25	86	
Bonus issue					
Final dividend					
Rights issue					
Interim dividend					
Sale of land					
Revaluation					
Profit for the year					
At 31 March 2021	450	33			

(c) State the international accounting standard applied when revaluing a non-current asset.

(2)

IAS No	IAS title

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	(d) State the <b>three</b> stages when accounting for the revaluation of a non-current asset.	(3)
1		
2		
3		
	(Total for Overtion 4 – 10 mos	dea)
	(Total for Question 4 = 19 mar	KS)

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(a) State <b>two</b> qualitative characteristics set out in the International Accounting Standards Board (IASB) Conceptual Framework.	(2)
Company X sued a supplier for \$30 000 as a result of damages caused by a faulty machine. The supplier denies responsibility but Company X has been advised that it will probably be awarded the damages in the court case.	
(b) Advise the directors of Company X how this should be treated in the financial statements with reference to an international accounting standard.	(3)
(c) Explain the importance of the price/earnings ratio to an ordinary shareholder.	(3)



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	wishes to make an investment in a compar I risk. She has identified two companies, bo			
		Aye plc	Zed plc	
	Return on capital employed (ROCE)	17.4%	14.1%	
	Return on equity	8.3%	11.2%	
	Interest cover	1.9 times	4.1 times	
	Dividend cover	2.1 times	2.9 times	
	lyse the data for the two companies and re	commend, with	justification, whic	:h
inve	stment Jasmin should choose.			(9)



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TOTAL FOR PAPER = 100 MARKS
(Total for Question 5 = 19 marks)

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