

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCSE

Applied Business

Unit 2: Financial Records

Wednesday 30 May 2012 – Morning
Time: 1 hour

Paper Reference

5AB02/01

**A calculator may be used.
You do not need any other materials.**

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- 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 60.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (*) are ones where the quality of your written communication will be assessed
– *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

SCENARIO

The questions in this paper are based on the following scenario.

You should read this scenario carefully before you start to answer the questions.

The Kimberley Hotel

The *Kimberley Hotel* is a 20 bedroom hotel in Stockham. The hotel is owned by Kim and her husband Mario, who run it as a private limited company. There are no other shareholders in the business.



The three-star *Kimberley Hotel* guest bedrooms have tea and coffee making facilities and free Wi-Fi access to the Internet. The hotel is a very popular venue for business meetings and its conference rooms can accommodate up to 50 people each. It also has a modern bar that offers cocktails, and the restaurant serves Italian and other European food. Both are popular with the local community.

Kim is responsible for keeping the financial records at the hotel. Her work includes handling business documents, paying bills and making entries in the accounts.

Kim has been told that as you are studying business she should ask you for any help and advice she needs.



The *Kimberley Hotel* has a number of business clients who regularly use the hotel for meetings and conferences. Kim sends these clients a statement of account. One of these clients is *Beachcroft Ltd*.

- 1 (a) Using the details given below, complete the statement of account to be sent to *Beachcroft Ltd*.

(5)

Account for Beachcroft Ltd
Cleppa Grove, Portishead, Somerset PH12 5FR
as at 25th May 2012

Balance brought forward from April 2012 statement	£165
5th May Hire of conference rooms	£240
5th May Refreshments	£ 60

The Kimberley Hotel
 Barry Close
 Stockham
 ST1 7YH
 Tel: 01443 112488
 VAT Reg No. 3562789

Statement Date: 25th May 2012

Date Due: 29th June 2012

Statement of Account for:

Date	Description	Charges £	Credits £	Account Balance £
	Final Balance			



Kim pays her regular bills such as gas, electricity and business rates by direct debit.

(b) Explain **two** advantages of a direct debit to Kim.

(6)

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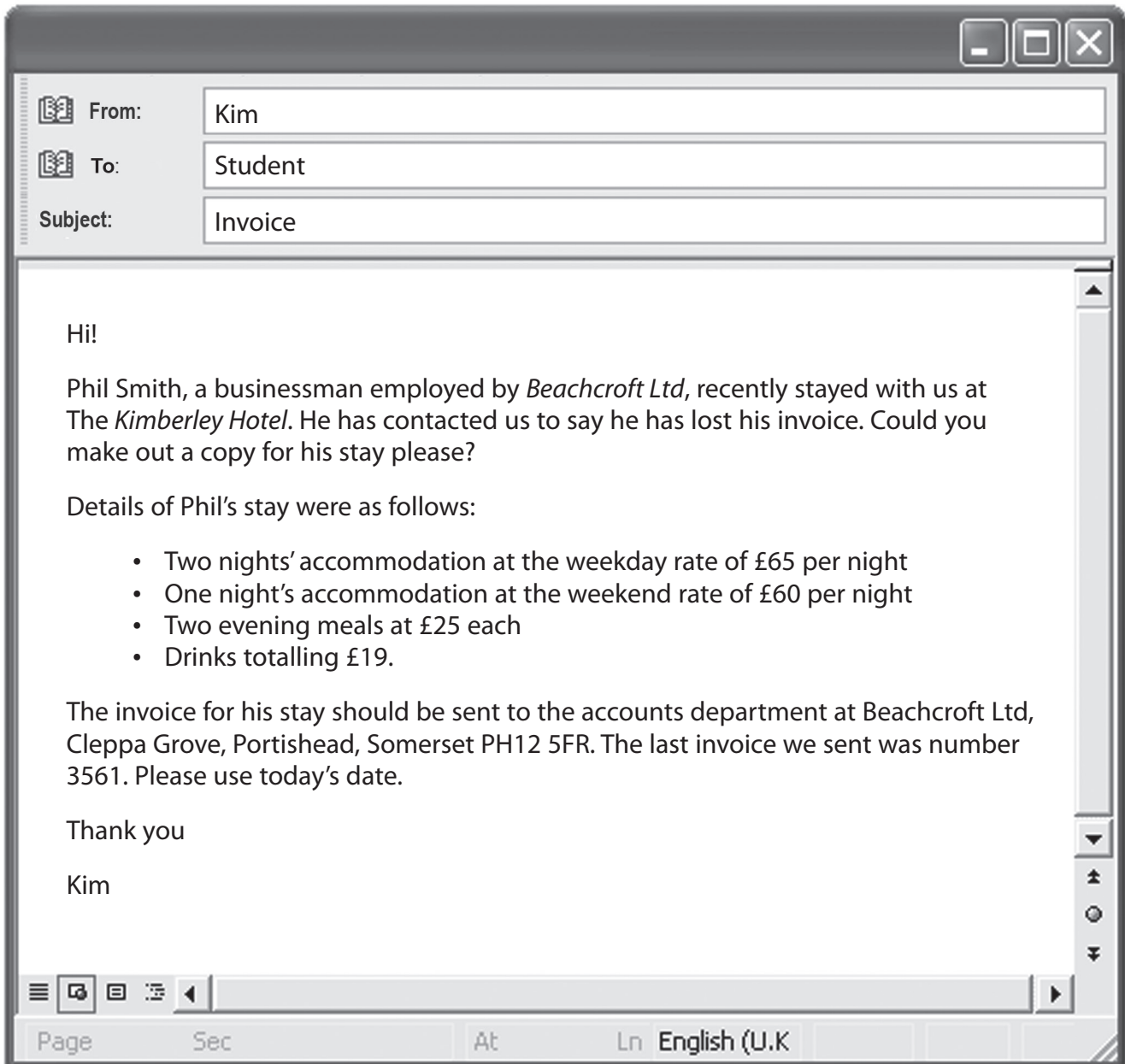
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(Total for Question 2 = 12 marks)



3 You have received the following email from Kim:



(a) Using the information given on the previous page, complete the invoice below.

(8)

The Kimberley Hotel

Barry Close
 Stockham
 ST1 7YH
 Tel: 01443 112488
 VAT Reg No. 3562789

Invoice Date:

Invoice Number:

Invoice to:

Date of Stay: 3rd – 5th May 2012

Name of Guest:

Number of Nights	Rate per Night (£)	Total (£)
Total Accommodation Cost		
Meals		
Drinks		
Sub Total		
VAT at 20%		
Total to Pay		



At present Kim produces a single Profit and Loss Account (Income Statement) for The *Kimberley Hotel*. This includes figures from the:

- Hotel rooms
- Bar and restaurant
- Conference rooms.

(b) Outline why it might be more helpful to the business for Kim to prepare separate Profit and Loss Accounts for each of these areas of the hotel.

(2)

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Stakeholders have an interest in the hotel's financial performance.

(c) Identify **one** stakeholder of The *Kimberley Hotel*.

(1)

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(d) Explain why this stakeholder would be interested in the hotel's financial performance.

(3)

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(Total for Question 3 = 14 marks)



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Kim is considering installing a computerised system in the hotel to help her handle its business transactions and prepare its financial statements.

4 (a) Explain **two** advantages of preparing financial statements using a computerised system.

(6)

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(b) Kim has started the Profit and Loss Account below. Using the figures given, complete the Profit and Loss account below for the *Kimberly Hotel*.

The Kimberley Hotel		
Profit and Loss Account for the year ended		
31st December 2011		
	£	£
Sales:		
Hotel Rooms		70 000
Bar and Restaurant		80 000
Conference Rooms		50 000
Total Sales		(1)
Cost of Sales	150 000	
Gross Profit		(1)
Less Expenses:		
Rent, Rates and Insurance	6 000	
Wages and Salaries	9 250	
Light, Heat and Power	3 500	
Telephone and Broadband	1 250	
Total Expenses		(1)
Net Profit		(1)

(Total for Question 4 = 10 marks)



Kim uses accounting ratios to help interpret her financial statements.

- 5 (a) Using the information and the formulae given below, calculate the Gross Profit and Net Profit Margins for the conference rooms of The *Kimberley Hotel* for 2010. Show your workings in the relevant section of the table.

(2)

Conference Rooms

2010	£
Sales	120 000
Gross Profit	42 000
Net Profit	14 400

Ratio	Calculation	2010	2011
Gross Profit Margin	$\frac{\text{Gross Profit} \times 100}{\text{Sales}}$	%	25%
Net Profit Margin	$\frac{\text{Net Profit} \times 100}{\text{Sales}}$	%	15%



(b) Explain **one** possible reason for the change in Gross Profit Margin and **one** for the change in the Net Profit Margin from 2010 to 2011.

(6)

Change in Gross Profit Margin

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Change in Net Profit Margin

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Kim has left the following information for you.

Assets and Liabilities for The Kimberley Hotel 30th April 2012	
Fixtures and fittings	£100 000
Money in bank	£25 000
Kitchen equipment	£50 000
Bank loan	£80 000
Debts owed to suppliers	£20 000

- (c) Using the formula: Working Capital = Current Assets – Current Liabilities and the figures above, calculate the working capital for The Kimberley Hotel.

(2)

Show your workings.

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(Total for Question 5 = 10 marks)



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