

Write your name here

Surname

Other names

Centre Number

Candidate Number

**Edexcel GCSE**

**Applied Business**

**Unit 2: Financial Records**

Friday 24 May 2013 – 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.

### *Eira Grant Photography*

Eira Grant is a self-employed photographer. She specialises in location shoots which means taking photographs wherever the client wants e.g. on the beach, in the park or in their home or office.



Eira offers several different types of photographic package, for example, baby and child.

She charges a set price for each session of one to four hours. After each shoot Eira uploads the pictures to her website where clients can select the appropriate link to view and buy their pictures.

Eira is very knowledgeable about photography, but has limited experience in handling business documents, paying bills, and doing the business accounts.

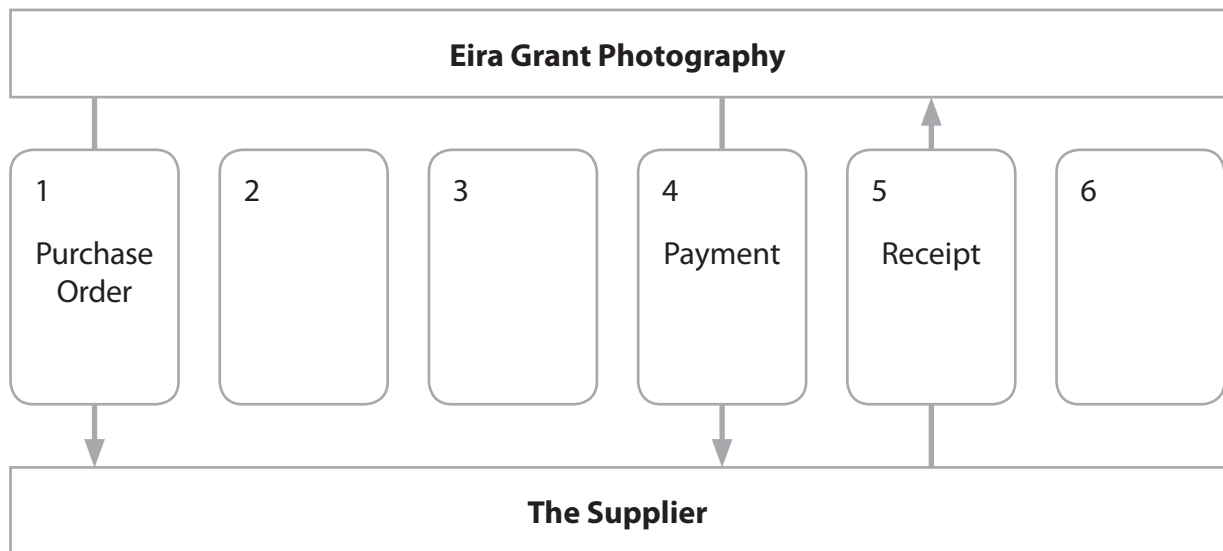
Knowing that you are studying a business course, Eira sometimes asks for your help and advice.



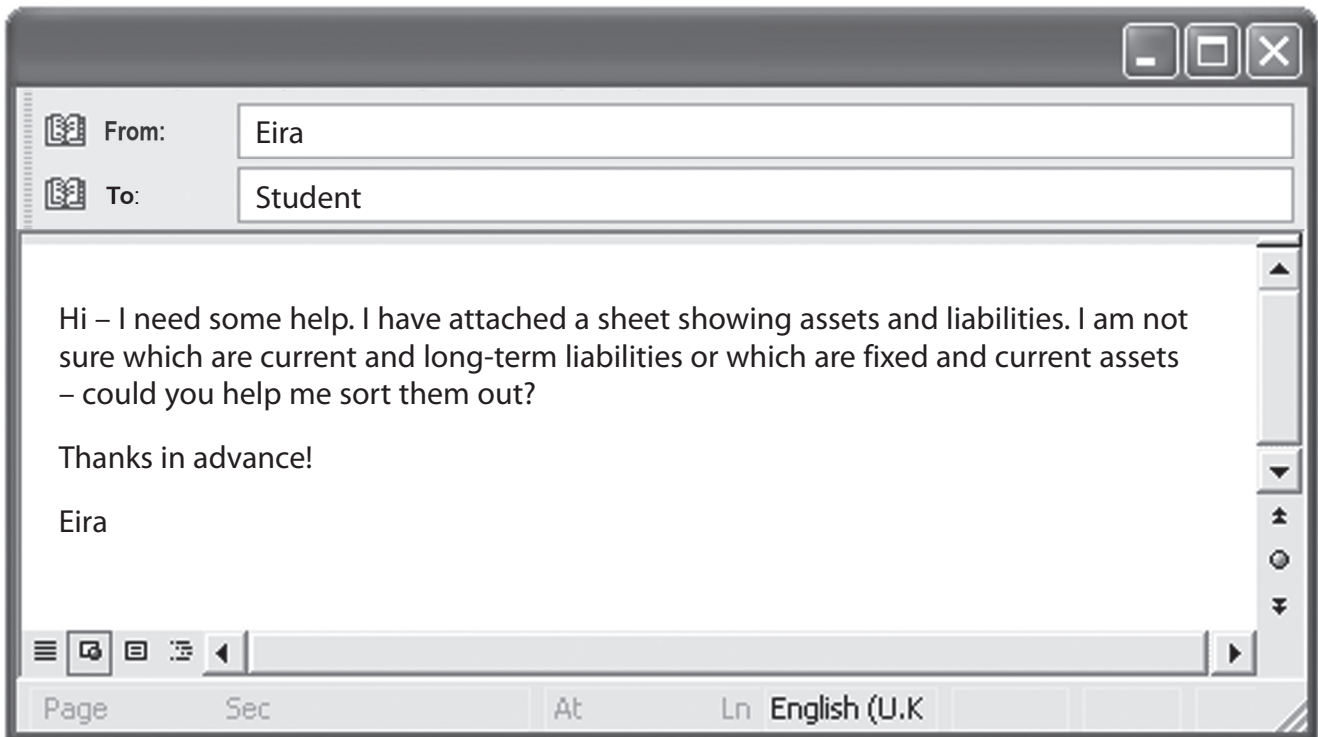
Eira has started to draw the diagram below to show the flow of financial documents. The diagram shows the order in which documents are sent and received when *Eira Grant Photography* buys from a supplier. Each arrow shows who sends the document and who receives it.

Complete the rest of the diagram.

- 1 (a) In each blank box write the name of **one** of the three documents listed below in the correct order. (3)
- Statement of Account
  - Invoice
  - Delivery Note
- (b) Draw an **arrow** from each of boxes 2, 3 and 6 to show who sends the document and who receives it in light of your answers to (a) above. (3)



You have received the following email from Eira.



**Questions 1(c) and 1(d) must be answered with a cross . If you change your mind about an answer, put a line through the box  and then mark your new answer with a cross .**

(c) In the table below, identify whether the asset is **fixed** or **current**.

(6)

<b>Assets</b>	<b>Fixed</b>	<b>Current</b>
Cash	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Camera equipment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Money in bank	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stock of DVDs and photo frames	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lighting equipment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Laptop computer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(d) In the table below, identify whether the liability is **current or long-term**.

(3)

<b>Liabilities</b>	<b>Current</b>	<b>Long-term</b>
Bank loan	<input type="checkbox"/>	<input type="checkbox"/>
Money owed to suppliers	<input type="checkbox"/>	<input type="checkbox"/>
Utility bills	<input type="checkbox"/>	<input type="checkbox"/>

**(Total for Question 1 = 15 marks)**



Eira has ordered some new equipment from *Talumec Photographic*.

Eira has given you the following extracts from three documents used in this transaction.

## Eira Grant Photography

### Purchase Order

To: Talumec Photographic  
9 Montpelier Rd  
Bristol  
BS21 6AW

**Order No.** 8795

**Date:** 06/05/2013

Code	Description	Quantity	Unit Price (£)
D700VR	Nikon D700 Digital SLR camera	1	3 449.00
160AWCB	Lowepro Classified 160AW Camera Bag Black (free with camera)	1	-----
I4CFT	Induro 4-section Carbon Fibre Tripod Series 1	1	323.25

## Goods Received Note

Date: 13/05/2013

No 1132

Code	Description	Quantity	Conditions of Goods
D600VR	Nikon D600 Digital SLR camera	1	OK
160AWCB	Lowepro Classified 160AW Camera Bag Black (free with camera)	1	OK
I4CFT	Induro 4-section Carbon Fibre Tripod Series 1	1	OK

## Talumec Photography

### INVOICE

Date: 31/05/2013

No 2401

Code	Description	Quantity	Unit Price (£)	£	p
D700VR	Nikon D700 Digital SLR camera	1	3 449.00	3 449	00
160AWCB	Lowepro Classified 160AW Camera Bag Black	1	89.99	89	99
I4CFT	Induro 4-section Carbon Fibre Tripod Series 1	1	332.25	332	25



Eira believes that these documents contain errors.

2 (a) Study the documents and outline **three** reasons why Eira should **not** pay this invoice.

(6)

Reason One

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Reason Two

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Reason Three

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(b) Outline the effect on Eira's accounts if this invoice were to be paid.

(2)

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**(Total for Question 2 = 8 marks)**



Eira pays some of her suppliers using online payments through her bank account.

**3** Explain **two** advantages to Eira of using online payments.

(6)

1 .....

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2 .....

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**(Total for Question 3 = 6 marks)**





**4** Eira is considering moving the business to a purpose-built studio.

She understands that this will involve both start-up and running costs.

(a) Give an example of **one** start-up cost and **one** running cost that Eira might face. (2)

Start-up cost .....

Running cost .....

(b) Explain the difference between start-up and running costs. (4)

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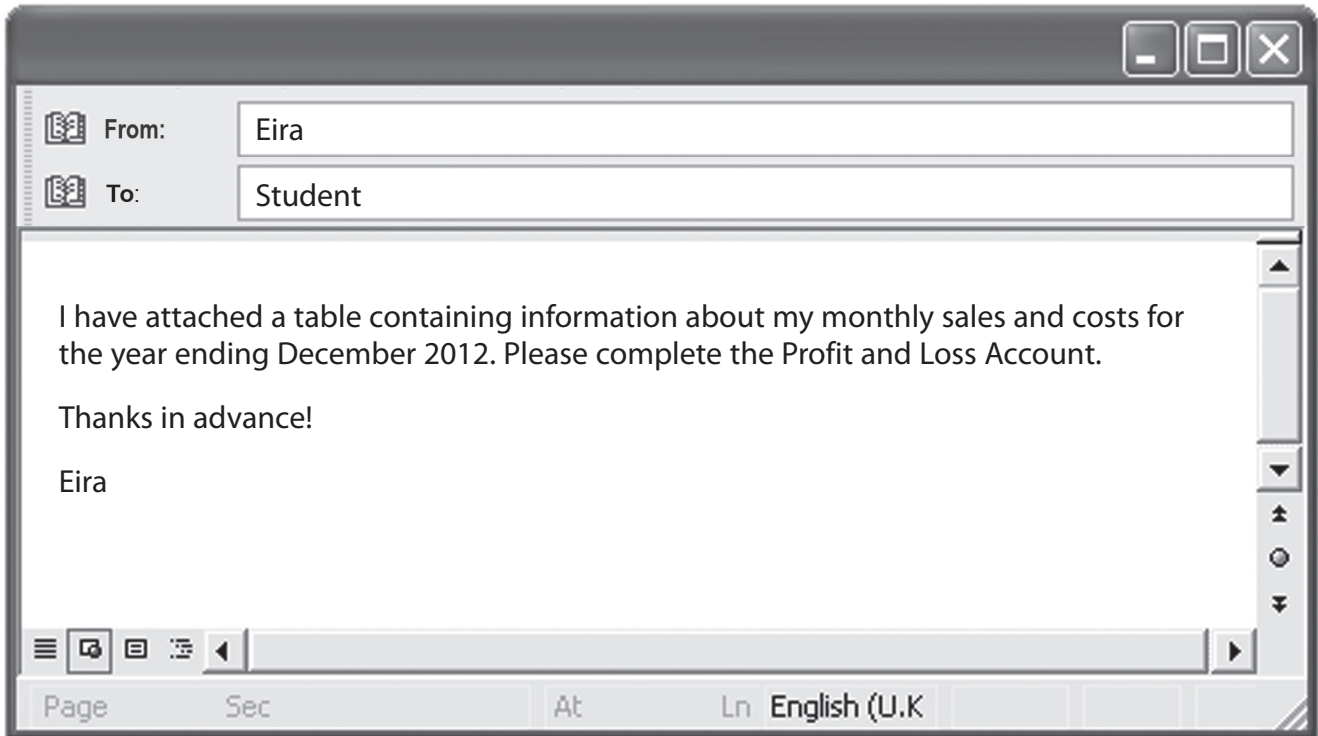
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**(Total for Question 4 = 6 marks)**



You have received another email from Eira.



	£
Sale of photography packages	52 000
Cost of sales	6 000
Transport costs	4 500
Light, heat and power	1 500
Telephone and broadband	750
Insurances	1 500
Drawings (wages)	27 500



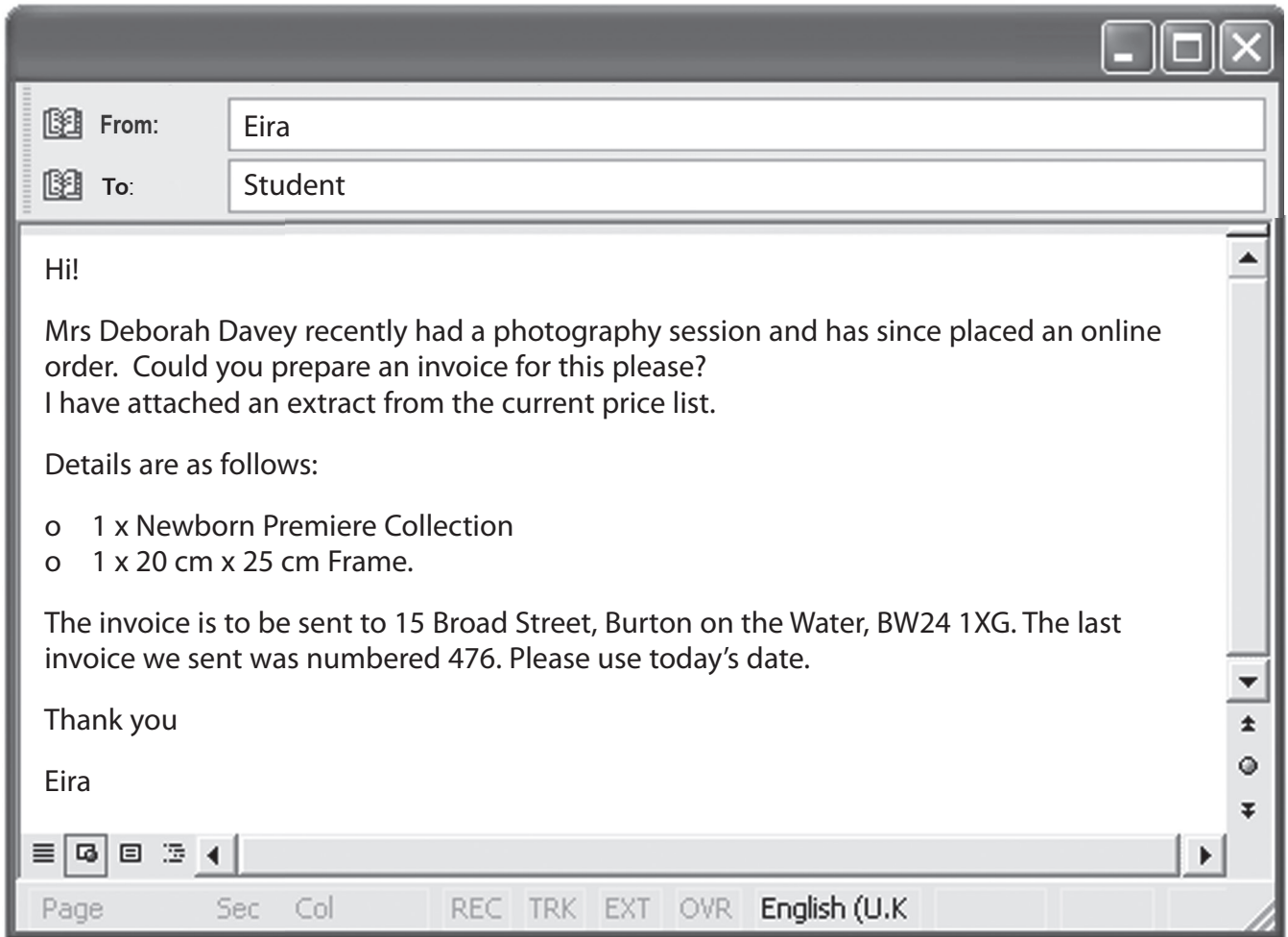
- 5 Use the information on the previous page to construct the Profit and Loss Account for *Eira Grant Photography*.

<b><i>Eira Grant Photography</i></b>		
<b>Profit and Loss Account for the year ended</b>		
31st December 2012		
	£	£
<b>Total Sales</b>		
<b>Gross Profit</b>		
<b>Expenses:</b>		
Insurances	1 500	
Drawings (wages)	27 500	
<b>Total Expenses</b>		

(Total for Question 5 = 6 marks)



You have received the following email from Eira.



## Eira Grant Photography

### Price List

#### **Newborn Session ~ £95**

1 x 1-3 hour on-location photography session in the comfort of your own home and 1 x unframed 20 cm x 25 cm image of your choice.

#### **The Newborn Premiere Collection ~ £250**

1 x 1 – 4 hour creative photography session and includes:

- 30 images expertly retouched
- a choice of a beautiful photobook, canvas or deluxe framed/mounted image of your choice
- a DVD slideshow of your images set to music.

#### **Frames ~ £15**

Beautiful 20 cm x 25 cm silver plated photo frame in which to display your image.



6 (a) Using the information given on page 12 fill out the Invoice below.

(7)

## Eira Grant Photography

Invoice Date

Invoice Number

Invoice to:


Product/Service	Charge (£)	Total (£)
<b>Total Cost</b>		
<b>5% Discount</b>		
<b>Total to Pay</b>		

After the invoice has been sent, Eira realises that she has charged the customer for the Newborn Premiere Collection instead of the Newborn Session.

(b) Outline **one** effect of this error on *Eira Grant Photography*.

(2)

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**(Total for Question 6 = 9 marks)**





(Total for Question 7 = 10 marks)

**TOTAL FOR PAPER = 60 MARKS**



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