

Write your name here

Surname

Other names

Pearson
Edexcel GCSE

Centre Number

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Candidate Number

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Applied Business

Unit 2: Financial Records

Wednesday 20 May 2015 – 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.
- 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.

Chris's Canal Cruises Ltd

Chris's Canal Cruises Ltd (CCC) is a business, owned by Chris and Zoë, that specialises in the rental of canal boats. It offers day hire, short break, week or longer rentals throughout the year. CCC owns six boats that sleeps four to eight people.



CCC started with a bank business loan 10 years ago. It is now planning to expand, adding two larger boats to its fleet. It is considering taking out another bank business loan to purchase the two boats.

Zoë looks after the finances at CCC. Her work includes handling business documents, paying bills and making entries in the accounts.

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



Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

CCC uses a variety of financial documents.

1 (a) Zoë needs to buy cleaning materials. To do this she will use a/an: (1)

- A** invoice
- B** purchase order
- C** statement of account
- D** remittance advice slip

(b) Zoë checks the cleaning materials when they arrive at CCC. She uses a document called a: (1)

- A** receipt
- B** credit note
- C** delivery note
- D** goods received note

(c) When Zoë pays for the cleaning materials she sends a document to confirm which invoices are being paid. This document is called a: (1)

- A** cheque
- B** delivery note
- C** statement of account
- D** remittance advice slip

(d) Zoë has reported items missing from the delivery of cleaning materials. She requests a/an: (1)

- A** receipt
- B** invoice
- C** credit note
- D** purchase order

(Total for Question 1 = 4 marks)



CCC has a canal side shop where customers can buy food and hire equipment, such as fishing rods. Chris is considering introducing a cashless payment system called Electronic Funds Transfer at Point of Sale (EFTPOS). This will allow CCC to take payments electronically using a machine that accepts customers' debit or credit cards.

- 2 (a) Explain **one** advantage and **one** disadvantage to CCC of using an electronic payment system such as EFTPOS.

(6)

Advantage

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Disadvantage

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CCC uses a system of barcodes in its shop for goods for sale and equipment for hire.

(b) Explain **one** advantage to CCC of using barcodes.

(3)

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CCC uses a computerised accounting system.

(c) Outline **one** advantage to CCC of preparing business documents using a computerised accounting system.

(2)

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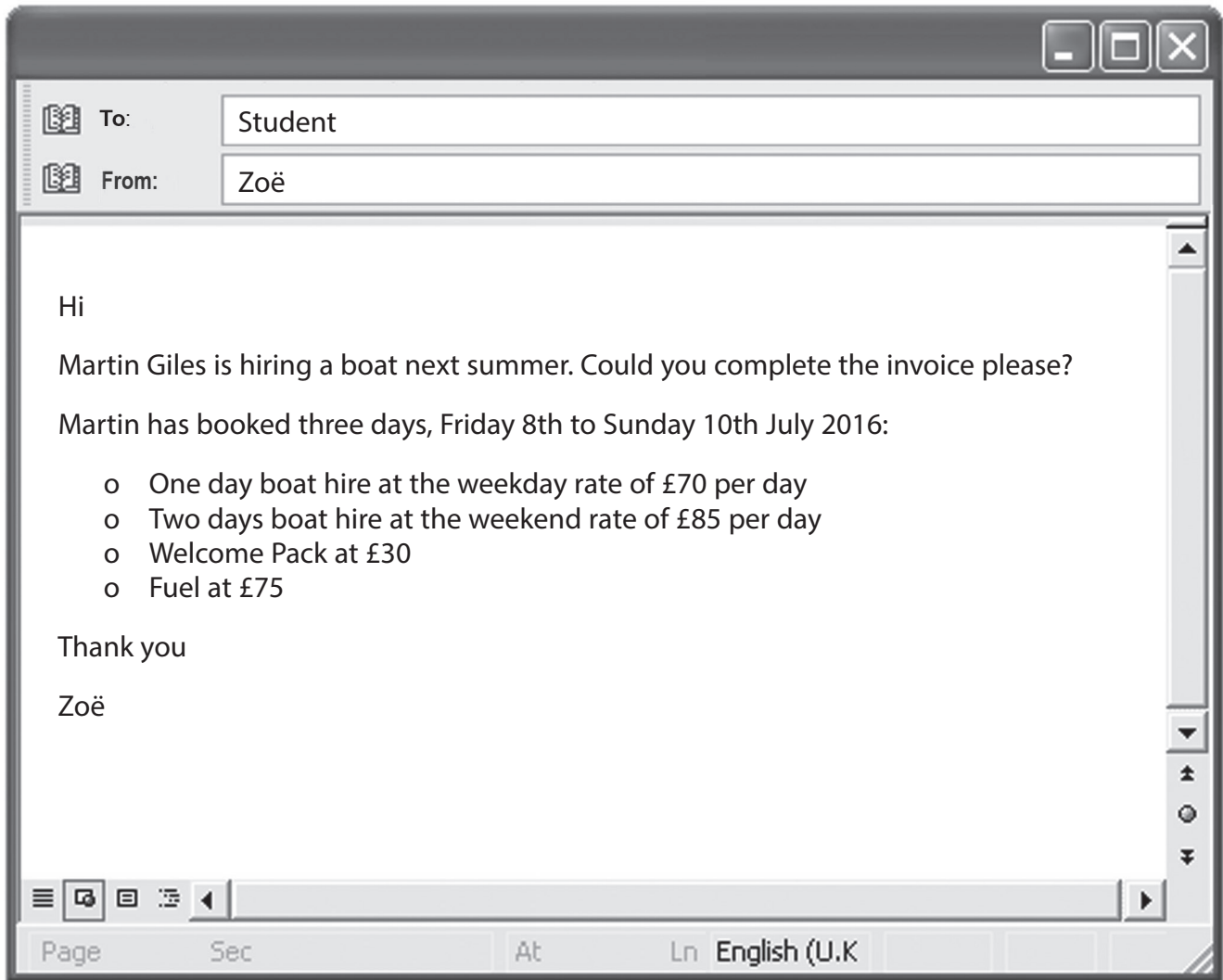
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(Total for Question 2 = 11 marks)




3 You have received the following email from Zoë.



(a) Using the information given in the email, complete the invoice below. It has been started for you.

(6)

 <p>Chris's Canal Cruises Ltd</p> <p>Quayside Cottages Lock Road Birmingham B21 7YH Tel: 0122 511 2488 VAT Reg.No. 3562789</p>	<p>Invoice Number: 62847</p> <hr/> <p>Invoice to:</p> <p>Mr Martin Giles 134 Fore Street Bristol BS93 6YP</p>		
<p>Date of Stay: 8 – 10th July 2016 Name of Lead Guest: Mr M Giles</p>			
Number of Days	Rate per Day (£)	Total (£)	Total (p)
1	70.00		
2	85.00		
Total Hire Charge			
Early booking discount @5%			
Sub-total			
Welcome Pack		30	00
Fuel		75	00
Total to Pay			



CCC has decided to buy two new boats. Zoë has identified the following costs:

- Wages
- Fuel
- Purchase price of the boats
- Fittings and fixtures for the boats
- Ongoing advertising
- Company signs and logos on the boats

(b) Identify **two** start-up costs and **two** running costs from Zoë's list above.

(4)

Start-up costs

1

2

Running costs

1

2

(c) In the table below, identify each item as a fixed or current asset.

(3)

Assets	£	Fixed	Current
Office equipment	15 800	<input type="checkbox"/>	<input type="checkbox"/>
Fishing equipment for hire	8 000	<input type="checkbox"/>	<input type="checkbox"/>
Money in bank	5 000	<input type="checkbox"/>	<input type="checkbox"/>

(Total for Question 3 = 13 marks)



- 4 Zoë has asked you to help construct a Profit and Loss Account (Income Statement) for CCC for 2015. She has sent you the following figures:

Hire charges for boats	£ 180 000
Wages and salaries	£ 50 000
Rent, Rates and Insurance	£ 42 900
Light, Heat and Power	£ 1 500
Telephone and Broadband	£ 1 200
Cost of sales	£ 32 500

Use this information to complete the Profit and Loss Account (Income Statement) for CCC.

Profit and Loss Account (Income Statement) for Chris's Canal Cruises 2015

	£	£
Gross Profit		
Expenses:		
Wages and salaries	50 000	
Total Expenses:		

(Total for Question 4 = 8 marks)



Zoë uses accounting ratios to help her interpret her financial statements. She has been looking at the profitability of the day hire service.

- 5 (a) Using the information and the formulae given below, calculate the Gross Profit Margin and Net Profit Margin for day hire for CCC for 2015.

(2)

Day Hire 2015	£
Sales	34 125
Gross Profit	10 250
Net Profit	6 250

Ratio	Calculation	2015 Calculation	2015%	2014%
Gross Profit Margin	$\frac{\text{Gross Profit} \times 100}{\text{Sales}}$			32%
Net Profit Margin	$\frac{\text{Net Profit} \times 100}{\text{Sales}}$			17%

- (b) (i) Explain **one** possible reason for the change in Gross Profit Margin.

(3)

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- (ii) Explain **one** possible reason for the change in Net Profit Margin.

(3)

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(Total for Question 6 = 10 marks)

TOTAL FOR PAPER = 60 MARKS



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