

# Pearson LCCI Level 1 Certificate in Book-keeping

## **Model Answers** Series 3 2013 (ASE1017)

# Level 1 Certificate in Book-keeping

## Series 3 2013

### How to use this booklet

Model Answers have been developed to offer additional information and guidance to Centres, teachers and candidates as they prepare for LCCI International Qualifications. The contents of this booklet are divided into 3 elements:

- (1) Questions – reproduced from the printed examination paper
- (2) Model Answers – summary of the main points that the Chief Examiner expected to see in the answers to each question in the examination paper, plus a fully worked example or sample answer (where applicable)
- (3) Helpful Hints – where appropriate, additional guidance relating to individual questions or to examination technique

Teachers and candidates should find this booklet an invaluable teaching tool and an aid to success.

Pearson provides Model Answers to help candidates gain a general understanding of the standard required. The general standard of model answers is one that would achieve a Distinction grade. Pearson accepts that candidates may offer other answers that could be equally valid.

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**LCCI IQ SERIES 3 EXAMINATION 2013**  
**BOOK-KEEPING**  
**LEVEL 1**  
**MARKING SCHEME**

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**DISTINCTION MARK 75%**  
**MERIT MARK 60%**  
**PASS MARK 50%**

**Key:**  
**of = own figure**

TOTAL 100 MARKS

**Question 1**

**Syllabus Topic: 19. Trading and Profit and Loss Accounts**

(a) **Lian – Trading and Profit & Loss Account for the year ended 31 March 2013**

	£	£	£	
Sales		215,680		
Less Returns		<u>1,269</u>	214,411	1
<b>Less Cost of sales:</b>				
Stock 1 April 2012		8,500		
Purchases	86,451			
Less Returns		<u>627</u>		1
	85,824			
Carriage in		<u>750</u>		1
		<u>86,574</u>		
		95,074		
Less Stock 31 March 2013		<u>8,750</u>	(86,324)	1w+f
<b>Gross profit</b>			128,087	1of
Rent received (900 + 300)			<u>1,200</u>	1
			129,287	
Less Expenses:				
General expenses (45,825 - 850)		44,975		1
Wages (83,500 + 1,650)		85,150		1
Motor expenses (3,654 - 750)		2,904		1
Bad debt		450		1
Depreciation:				
Motor Vehicles ((24,800 - 6,200) x 25%)		4,650		1+1of
Equipment		<u>1,150</u>		1
			(139,279)	
<b>Net Loss</b>			<u>(9,992)</u>	1of

(14 marks)

**Question 1 continued**  
**Syllabus Topic: 20. The Balance Sheet**

(b)

**Balance Sheet at 31 March 2013**

	<b>Cost</b>	<b>Aggregate Depreciation</b>	<b>Net Book Value</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Fixed Assets</b>				
Premises	44,000	-	44,000	
Motor Vehicles	24,800	10,850	13,950	1
Equipment	<u>11,500</u>	<u>4,600</u>	<u>6,900</u>	1
	<u>80,300</u>	<u>15,450</u>	64,850	1of
<b>Current Assets</b>				
Stock		8,750		
Debtors (33,472-450)		33,022		1
Prepayments		<u>850</u>		
		42,622		1of
<b>Current Liabilities</b>				
Creditors	12,942			
Accruals	1,650	1		
Bank	<u>9,172</u>	1	(23,764)	1of
			<u>18,858</u>	
			<u>83,708</u>	
<b>Financed by:</b>				
Capital 1 April 2012			100,000	
Less Drawings (6,000+300)		1	6,300	
Net loss		1of	<u>9,992</u>	
			(16,292)	
			<u>83,708</u>	1

(11 marks)

**(Total 25 marks)**

**Question 2**  
**Syllabus Topic: 6. Day Books**

(a) **Sales Day Book**

			£	
April				
3	Cheng	Shirts	693	1
6	Lan	Jackets	1,005	1
14	Cheng	T shirts	448	1
20	Ning	T shirts	342	1
25	Lan	Trousers	495	1
30	Cheng	Shirts	<u>252</u>	1
			<u>3,235</u>	

(6 marks)

(b) **Sales Returns Day Book**

			£	
April				
8	Cheng	Shirts	63	1
29	Ning	T shirts	<u>36</u>	1
			<u>99</u>	

(2 marks)

**Syllabus Topic: 8. Cash Book and Cash Discount**

(c) **Cash Book (debit columns)**

		Discount	Bank	
		£	£	
April				
10	Cheng	15	735	1 both
12	Ning	16	784	1 both
29	Lan		<u>1,480</u>	1
		<u>31</u>	<u>2,999</u>	

(3 marks)

(d) **Cheng Account**

		£			£		
April			April				
1	Balance b/d	750	8	SRDB>Returns/Sundries	63	1of	
3	SDB/Sales/Sundries	693	1of	10	Bank	735	1of
14	SDB/Sales/Sundries	448	1of		Discount	15	1of
30	SDB/Sales/Sundries	<u>252</u>	1of	30	Balance c/d	<u>1,330</u>	
		<u>2,143</u>				<u>2,143</u>	
May							
1	Balance b/d	1,330	1of				(7 marks)

**Syllabus Topic: 21. Control Accounts – an Introduction**

(e) **Sales Ledger Control Account**

		£			£		
April			April				
1	Balance b/d	4,390	1	30	Bank	2,999	1of
30	SDB/Sales/Sundries	3,235	1of		Discount	31	1of
					SRDB>Returns/Sundries	99	1of
					Bad debt	315	1
					Balance c/d	<u>4,181</u>	
		<u>7,625</u>				<u>7,625</u>	
May							
1	Balance b/d	4,181	1of				(7 marks)

(Total 25 marks)

**Question 3**  
**Syllabus Topic: 13. Depreciation of Fixed Assets**

(a) **Hakim – Motor Vehicles Account**

				£		£
<b>2010</b>						
April	16	Bank Veh A	8,000	1		
August	23	Bank Veh B	9,200	1		
<b>2011</b>					<b>2011</b>	
January	5	Bank Veh C	<u>10,000</u>	1	March	31
			<u>27,200</u>		Balance c/d	<u>27,200</u>
April	1	Balance b/d	27,200	1of		
October	21	Bank Veh D	8,400	1		
<b>2012</b>					<b>2012</b>	
February	28	Bank Veh E	<u>9,600</u>	1	March	31
			<u>45,200</u>		Balance c/d	<u>45,200</u>
April	1	Balance b/d	45,200	1of		
June	10	Bank Veh F	12,000	1		
<b>2013</b>					<b>2013</b>	
March	4	Bank Veh G	<u>10,500</u>	1	March	31
			<u>67,700</u>		Balance c/d	<u>67,700</u>
April	1	Balance b/d	67,700	1of		

(10 marks)

(b) **Motor Vehicles Provision for Depreciation Account**

				£			£
<b>2011</b>					<b>2011</b>		
March	31	Balance c/d	<u>8,160</u>		March	31	P & L A/c
					April	1	Balance b/d
							<u>8,160</u>
							1of
<b>2012</b>					<b>2012</b>		
March	31	Balance c/d	<u>19,272</u>		March	31	P & L A/c (W1)
			<u>19,272</u>				11,112
							1+1of
					April	1	Balance b/d
							<u>19,272</u>
							1of
<b>2013</b>					<b>2013</b>		
March	31	Balance c/d	<u>33,800</u>		March	31	P & L A/c (W2)
			<u>33,800</u>				14,528
							1+1of
					April	1	Balance b/d
							<u>33,800</u>
							1of

(8 marks)

Workings for Depreciation expense					
	Cost	Depreciation b/f	Net		Expense in year
(W1)	45,200	8,160	37,040	30%	11,112
(W2)	67,700	19,272	48,428	30%	14,528

**Syllabus Topic: 16. Capital and Revenue Expenditure**

- (c)
- |       |         |   |
|-------|---------|---|
| (i)   | Capital | 1 |
| (ii)  | Revenue | 1 |
| (iii) | Capital | 1 |
| (iv)  | Neither | 1 |
| (v)   | Revenue | 1 |
| (vi)  | Neither | 1 |
| (vii) | Neither | 1 |
- (7 marks)

**(Total 25 marks)**

**Question 4**

**Syllabus Topic: 10. Petty Cash Book and the Imprest System**

(a)

**Noor – Petty Cash Book**

Receipts		Payments				Purchases Ledger	
£		N <sup>o</sup> .	Total £	Office expenses £	Travelling expenses £	£	
65.80	April	1					1
134.20							1
							1
		833	3.45	3.45			1
		3	5.80	5.80			1
		7	18.46		18.46		1
		8	9.85			9.85	1
40.00		12					1
		18	12.60	12.60			1
		21	25.00		25.00		1
		24	19.99			19.99	1
		27	7.45	7.45			1
		28	6.00		6.00		1
		30	<u>36.14</u>	<u>36.14</u>	<u>49.46</u>	<u>29.84</u>	1
			144.74	<u>65.44</u>	<u>49.46</u>	<u>29.84</u>	
			<u>95.26</u>				1
<u>240.00</u>			<u>240.00</u>				
95.26	May	1					1of
104.74							1of

1 (voucher numbers)

(17 marks)

(b)

**Travelling Expenses Account**

		£	
April	30	PCB/Sundries	49.46 1+1of

(2 marks)

**Syllabus Topic: 17. Errors in the Accounts and their Correction**

(c) Type of error:

- (i) Error of principle 1
  - (ii) Error of original entry 1
- (2 marks)

(d)

**Ajib – Journal**

	Dr £	Cr £	
Repairs to buildings account	1,500		1
Premises account		1,500	1
Sales account	54		1
Ng account		54	1

(4 marks)

**(Total 25 marks)**

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