

Mark Scheme (Results)

Series 3 2014

Pearson LCCI Level 1
Book-keeping

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LCCI IQ SERIES 3 EXAMINATION 2014

**BOOK-KEEPING
LEVEL 1
MARKING SCHEME**

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

**Key:
of = own figure**

TOTAL 100 MARKS

QUESTION 1

Syllabus topics: 8 Cash Book, 9 Bank reconciliation

(a)

| | | Esah – Cash Book | | | | | | | | | | | | | | | |
|-------------|----|-------------------------|-------------|--------------|---|---------------|----|-------------|-----|------------|-------------------|--------------|-----|-------------|-----|--|--|
| | | Disc | Cash | Bank | | | | | | Dis | Cash | Bank | | | | | |
| | | £ | £ | £ | | | | | | c | £ | £ | | | | | |
| 2014 | | | | | | | | | | | | | | 2014 | | | |
| Feb | 1 | | 25 | 183 | 1 | Feb | 6 | Wages | | | | 125 | | | 1 | | |
| | 2 | | 140 | | 1 | | 10 | Bank | | | | 200 | | | 1 | | |
| | 5 | 20 | | 480 | 1 | | 12 | Dara | 654 | 12 | | | 228 | | 1 | | |
| | 9 | | 331 | | 1 | | 19 | Wages | | | | 130 | | | 1 | | |
| | 10 | | | 200 | 1 | | 27 | Deris | 655 | | | | 95 | | 1 | | |
| | 23 | | | 680 | 1 | | 28 | Drawings | 656 | | | | 150 | | 1 | | |
| | | | | | | | 28 | Haron | 657 | 2 | | | 98 | | 1 | | |
| | | | | | | | | Balance c/d | | | | 41 | 972 | | 1of | | |
| | | <u>20</u> | <u>496</u> | <u>1,543</u> | | | | | | <u>14</u> | <u>496</u> | <u>1,543</u> | | | | | |
| Mar | 1 | | 41 | 972 | 1 | (both) | | | | | (15 marks) | | | | | | |

(b)

| | | Cash Book update | | | | | | | | | | | | | | | |
|-------------|---|-------------------------|--------------|-----|-----|---|-------------|--|--------------|-------------------|--|-----|--|-------------|----------|--|--|
| | | Bank | | | | | | | | Bank | | | | | | | |
| | | £ | | | | | | | | | | | | | £ | | |
| 2014 | | | | | | | | | | | | | | 2014 | | | |
| Mar | 1 | | 972 | 1of | Mar | 1 | S.O. Gas | | | | | 75 | | | 1 | | |
| | | | 100 | 1 | | | Charges | | | | | 12 | | | 1 | | |
| | | | | | | | Balance c/d | | | | | 985 | | | | | |
| | | | <u>1,072</u> | | | | | | <u>1,072</u> | | | | | | | | |
| Mar | 1 | | 985 | 1of | | | | | | (5 marks) | | | | | | | |

(c)

| Bank Reconciliation Statement at 28 February 2014 | | | | | | |
|--|-----------|--------------------|------------|--|--|------------------|
| | | £ | £ | | | |
| Balance as Bank Statement | | | 1,178 | | | 1 |
| Less unrepresented cheques | | | | | | |
| | 655 Deris | Names or numbers 1 | 95 | | | 1 |
| | 657 Haron | | <u>98</u> | | | 1 |
| | | | (193) | | | |
| Balance as Cash Book | | | <u>985</u> | | | 1of |
| | | | | | | (5 marks) |

(Total 25 marks)

Alternative layout for bank reconciliation will be accepted.

QUESTION 2

Syllabus topics: 19 Trading and Profit & Loss Accounts, 20 Balance Sheet, 12 Accruals etc.

- (a) (i) Creditors – Invoiced amount, owed to suppliers 1
 (ii) Accruals – Estimates of value consumed, but not yet invoiced 1
(2 marks)

(b) **Fajar**
Trading and Profit & Loss Account for the year ended 31 January 2014

| | £ | £ | £ | |
|---------------------------------------|--------|----------|-----------|------------|
| Sales | | 137,627 | | |
| Less returns | | (9,734) | 127,893 | 1 |
| Cost of Sales | | | | |
| Stock at 1 February 2013 | | 10,640 | | |
| Purchases | 55,284 | | | |
| Less returns | (382) | 54,902 | | 1 |
| | | 65,542 | | |
| Less stock at 31 January 2014 | | (11,000) | | |
| | | | (54,542) | 1 |
| Gross Profit | | | 73,351 | 1 of |
| Wages (49,147+1,100) | | 50,247 | | 1+1of |
| Electricity (15,830+850) | | 16,680 | | 1+1of |
| General expenses | | 35,423 | | 1 |
| Motor vehicle expenses (12,470-650) | | 11,820 | | 1+1of |
| Discount allowed | | 648 | | 1 |
| Depreciation: | | | | |
| Equipment (34,200 X 10%) | | 3,420 | | 1 |
| Motor vehicles ((16,800-9,920) X 20%) | | 1,376 | | 1+1of |
| | | | (119,614) | |
| Net Loss | | | 46,263 | (15 marks) |

(c) **Balance Sheet at 31 January 2014**

| | Cost £ | Aggregate Depreciation £ | Net Book Value £ | |
|-----------------------------------|-----------|--------------------------------|------------------------|-----------|
| Fixed Assets | | | | |
| Equipment (20,520+3,420) | 34,200 | 23,940 | 10,260 | 1 |
| Vehicles (9,920+1,376) | 16,800 | 11,296 | 5,504 | 1 |
| | 51,000 | 35,236 | 15,764 | |
| Current Assets | | | | |
| Stock | | 11,000 | | |
| Debtors | | 28,650 | | |
| Prepayments | | 650 | | 1 |
| | | 40,300 | | 1 |
| Current Liabilities | | | | |
| Bank | 9,687 | 1 | | |
| Creditors | 13,750 | | | |
| Accruals (850+1,100) | 1,950 | 1 | | |
| | | (25,387) | | 1 |
| Working Capital | | | 14,913 | |
| | | | 30,677 | |
| Capital at 1 February 2013 | | | 82,940 | |
| Less Net Loss | | 46,263 | | 1of |
| Drawings | | 6,000 | (52,263) | |
| Capital at 31 January 2014 | | | 30,677 | (8 marks) |

Alternate layout will be accepted.

(Total 25 marks)

QUESTION 3

Syllabus topics: 6 Day Books, 2 Recording transactions

(a) (i)

Gombak - Sales Day Book

| | | | £ | |
|-------------|----|-------------|----------|------------|
| 2014 | | | | |
| May | 1 | (i) Embun | 1,280.00 | 1+1of |
| | 3 | (ii) Hitam | 122.50 | 1+1of |
| | 8 | (iii) Suria | 375.00 | 1+1of |
| | 10 | (iv) Mamat | 54.00 | 1+1of |
| | 15 | (v) Suria | 468.75 | 1+1of |
| | 17 | (vi) Hitam | 4,550.00 | 1+1of |
| | | | 6,850.25 | (12 marks) |

(ii)

Sales Returns Day Book

| | | | £ | |
|-------------|----|-------|-------|-----------|
| 2014 | | | | |
| May | 7 | Hitam | 24.50 | 1+1of |
| | 14 | Mamut | 3.60 | 1+1of |
| | | | 28.10 | (4 marks) |

(b)

Hitam Account

| | | £ | | | | £ | | | |
|-------------|----|-------------|----------|-------------|-----|----|-------------|----------|-----|
| 2014 | | | | 2014 | | | | | |
| May | 1 | Balance b/d | 4,250.00 | 1 | May | 7 | SRDB | 24.50 | 1of |
| | 3 | SDB | 122.50 | 1of | | | Bank | 3,750.00 | 1 |
| | 17 | SDB | 4,550.00 | 1of | | 31 | Balance c/d | 5,148.00 | 1 |
| | | | 8,922.50 | | | | | 8,922.50 | |
| Jun | 1 | Balance b/d | 5,148.00 | 1of | | | | | |

(7 marks)

(c) (i) Trade discount – to encourage bulk quantity sales (1), to provide a gross profit (margin) for purchaser (1).

(ii) Cash discount – to encourage early settlement of debts (1).

(2 marks)

Any other appropriate examples will be acceptable.

(Total 25 marks)

| Workings - calculation of invoice prices | | | | | | | | |
|---|----------------|----------------|-----------------|--------------------------|---------------------|------------------|----------------------|-------|
| | Cust'er | Product | Quantity | Unit retail price | Retail price | Disc rate | Invoice price | |
| | | | | | | | £ | |
| (i) | Embun | Pens | 1,000 | £1.60 each | 1,600.00 | 20% | 1,280.00 | 1+1of |
| (ii) | Hitam | Paper | 50 reams | £3.50 / ream | 175.00 | 30% | 122.50 | 1+1of |
| (iii) | Suria | Pencils | 2,000 | £2.50 per 10 | 500.00 | 25% | 375.00 | 1+1of |
| (iv) | Mamat | Erasers | 300 | £2.00 per 10 | 60.00 | 10% | 54.00 | 1+1of |
| (v) | Suria | Paper clips | 500 boxes | £1.25 / box | 625.00 | 25% | 468.75 | 1+1of |
| (vi) | Hitam | Pens | 2,000 | £3.25 each | 6,500.00 | 30% | 4,550.00 | 1+1of |
| | | | | | | | 6,850.25 | |
| Calculation of returns note prices | | | | | | | | |
| | | | | | | | £ | |
| (ii) | Hitam | Paper | 10 reams | £3.50 / ream | 35.00 | 30% | 24.50 | 1+1of |
| (iv) | Mamat | Erasers | 2 packs of 10 | £2.00 per 10 | 4.00 | 10% | 3.60 | 1+1of |
| | | | | | | | 28.10 | |

QUESTION 4

Syllabus topics: 21 Control Accounts, 16 Capital and Revenue expenditure

(a)(i)

| 2014 | | Harum - Debtors Control Account | | 2014 | | £ | | | |
|-------------|----|--|---------------|-------------|-----|----------|---------------------|---------------|------------|
| | | £ | | | | £ | | | |
| Feb | 1 | Balance b/f | 9,654 | 1 | Feb | 28 | Bank | 6,912 | 1 |
| | 28 | Sales/SDB | 10,597 | 1 | | | Bank | 430 | 1 |
| | | | | | | | Returns/SRDB | 175 | 1 |
| | | | | | | | Bad debts | 127 | 1 |
| | | | | | | | Discount allowed | 119 | 1 |
| | | | | | | | Balance c/d | 12,488 | 1+1of |
| | | | <u>20,251</u> | | | | | <u>20,251</u> | |
| Mar | 1 | Balance b/d | 12,488 | 1of | | | | | (10 marks) |

(a)(ii)

| 2014 | | Harum – Creditors Control Account | | 2014 | | £ | | | |
|-------------|----|--|--------------|-------------|-----|----------|-------------|--------------|-----------|
| | | £ | | | | £ | | | |
| Feb | 28 | Bank | 1,832 | 1 | Feb | 1 | Balance b/d | 2,975 | 1 |
| | | Returns/PRDB | 144 | 1 | | 28 | Purchases | 2,864 | 1 |
| | | Discount Received | 54 | 1 | | | | | |
| | | Balance c/d | 3,809 | 1+1of | | | | | |
| | | | <u>5,839</u> | | | | | <u>5,839</u> | |
| | | | | | Mar | 1 | Balance b/d | 3,809 | 1of |
| | | | | | | | | | (8 marks) |

- (b)
- | | | | |
|-----|-----------------------------------|---------|---|
| (1) | Repayment of a long-term loan | Neither | 1 |
| (2) | Insurance premium | Revenue | 1 |
| (3) | Materials for use in the business | Revenue | 1 |
| (4) | Wages for repairs to Harum's home | Neither | 1 |
| (5) | Second-hand office furniture | Capital | 1 |
| (6) | Decorating offices | Revenue | 1 |
| (7) | New office furniture | Capital | 1 |
- (7 marks)

(Total 25 marks)

