

# Pearson LCCI Level 1 Certificate in Book-keeping

## **Model Answers** Series 4 2013 (ASE1017)



# Level 1 Certificate in Book-keeping

## Series 4 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.

- (1) 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)

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 4 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, 20 The Balance Sheet**

(a) **Aang – Trading and Profit and Loss Account for the year ended 30 June 2013**

Sales (325,641+685)		£	£	
			326,326	<b>1</b>
<b>Less Cost of Sales:</b>				
Stock 1 July 2012		19,500		
Purchases	156,487			
Less returns outwards	<u>(646)</u>			<b>1</b>
	155,841			
Carriage inwards	<u>275</u>	156,116		<b>1 + 1of</b>
		175,616		
Stock 30 June 2013		<u>(20,250)</u>		
			(155,366)	<b>1of</b>
<b>Gross profit</b>			170,960	
Less expenses:				
Wages (69,752+1,750)		71,502		<b>1</b>
General expenses (24,580-225)		24,355		<b>1</b>
Motor expenses		6,875		
Carriage outwards		559		
Bad debt		220		<b>1</b>
Loan interest (1,200+400)		1,600		<b>2</b>
Depreciation - motor vehicles ((32,560-14,600) x 30%)		<u>5,388</u>		<b>1+1of</b>
			(110,499)	
<b>Net profit</b>			<u>60,461</u>	<b>1of</b>

(13 marks)

**Question 1 continued**

(b)

**Aang – Balance Sheet at 30 June 2013**

<b>Fixed Assets</b>	<b>Cost</b>	<b>Aggregate Depreciation</b>	<b>Net Book Value</b>
	£	£	£
Motor vehicles	<u>32,560</u>	<u>19,988</u> 1	12,572 1of
<b>Current Assets</b>			
Stock		20,250	
Debtors (54,560+685-220)		55,025 2	
Prepayment		225 1	
Bank		<u>29,139</u>	
		104,639 1	
<b>Current Liabilities</b>			
8% Loan – repayable within 1 year	20,000 1		
Creditors	13,850		
Accruals (1,750+400)	<u>2,150</u> 1+1		
		(36,000)	1of
<b>Net Current Assets</b>			<u>68,639</u>
			<u>81,211</u>
<b>Capital</b>			
Balance 1 July 2012			30,000
Add Net profit			<u>60,461</u> 1of
			90,461
Less drawings			<u>(9,250)</u> 1
Balance 30 June 2013			<u>81,211</u>

(12 marks)

**(Total 25 marks)**

**Question 2**

**Syllabus topics: 10 Petty Cash Book and the Imprest System, 10.7 Recording transactions through double entry**

(a) (i)

**Bari – Petty Cash Book**

Receipts				Payments			
£		2013		N <sup>o</sup>	Total £	Office expenses £	Travelling expenses £
33.65	<b>1</b>	June					
66.35	<b>1</b>	1	Balance b/d				
			Bank/cash				
		4	Tea	57	2.57	2.57	<b>1</b>
		8	Petrol	58	25.94		25.94 <b>1</b>
		11	Stationery	59	7.99	7.99	<b>1</b>
		15	Coffee	60	4.56	4.56	<b>1</b>
		22	Rail ticket	61	15.00		15.00 <b>1</b>
					56.06	15.12	40.94 <b>1</b>
		30	Balance c/d		43.94		
<u>100.00</u>					<u>100.00</u>		
		July					
43.94	<b>1</b>	1	Balance b/d				
56.06	<b>1of</b>		Bank/cash				
		5	Postage	62	20.00	20.00	<b>1</b>
23.50	<b>2</b>	9	Cash sale				
		13	Petrol	63	32.16		32.16 <b>1</b>
		15	Coffee	64	4.58	4.58	<b>1</b>
		18	Rail ticket	65	16.70		16.70 <b>1</b>
		24	Stationery	66	15.25	15.25	<b>1</b>
					88.69	39.83	48.86 <b>1</b>
		31	Balance c/d		34.81		
<u>123.50</u>					<u>123.50</u>		
		August					
34.81	<b>1</b>	1	Balance b/d				
65.19	<b>1of</b>		Bank/cash				

**1** Voucher numbers

(21 marks)

(ii) **Office Expenses Account**

			£	
June	30	PCB/sundries	15.12	<b>1of</b>
July	31	PCB/sundries	39.83	<b>1of</b>

(2 marks)

(iii) **Travelling Expenses Account**

			£	
June	30	PCB/sundries	40.94	<b>1of</b>
July	31	PCB/sundries	48.86	<b>1of</b>

(2 marks)

**(Total 25 marks)**

### Question 3

Syllabus topic: 17 Errors in the accounts and their correction

(a)

	Gross Profit			Net Profit		
	Increase £	Decrease £		Increase £	Decrease £	
(1)		45		45		
(2)		35	1		35	1
(3)		no effect	1		2,500	1
(4)		470	1	no effect		1
(5)	500		1	500		1
(6)	no effect		1	160		1
(7)		no effect	1		125	1
(8)		200	1		200	1

(14 marks)

(b)	Error (2)	Omission	1
	Error (3)	Principle	1
	Error (4)	Commission	1

(3 marks)

(c) **Journal**

		Dr £	Cr £	
Error (2)	Sales returns	35		1
	Ciro		35	1
Error (3)	Buildings repairs/redecoration	2,500		1
	Premises		2,500	1
Error (4)	Carriage inwards	470		1
	Carriage outwards		470	1
Error (5)	Drawings	500		1
	Purchases		500	1

(8 marks)

**(Total 25 marks)**



**Question 4**

**Syllabus topic: 4 Sales>Returns, 6 Day Books, 21 Control Accounts**

(a)

(i)

Sales Day Book							
Date	Customer	Units	Unit price £	Trade discount %	Invoice Gross £	Discount £	Invoice Net £
May 4	Liang	120	12.00	30	1,440	432	1,008 <b>1</b>
12	Fang	300	15.00	50	4,500	2,250	2,250 <b>1</b>
15	Guo	50	8.00	20	400	80	320 <b>1</b>
18	Fang	500	17.50	50	8,750	4,375	4,375 <b>1</b>
25	Guo	75	6.00	20	450	90	360 <b>1</b>
28	Liang	240	14.00	30	3,360	1,008	2,352 <b>1</b>
30	Fang	400	11.00	50	4,400	2,200	<u>2,200</u> <b>1</b>
							<u>12,865</u>

(7 marks)

(ii)

Sales Returns Day Book							
Date	Customer	Units	Unit price £	Trade discount %	Invoice Gross £	Discount £	Credit Note £
May 11	Liang	10	12.00	30	120	36	84 <b>1</b>
30	Guo	5	6.00	20	30	6	<u>24</u> <b>1</b>
							<u>108</u>

(2 marks)

(iii)

Liang Account									
May				£	May				£
1	Balance b/d			400	11	SRDB			84 <b>1</b>
4	Sales Day Book			1,008 <b>1 of</b>	20	Bank			392 <b>1 of</b>
28	Sales Day Book			2,352 <b>1 of</b>		Discount allowed (CB)			8 <b>1 of</b>
				<u>3,760</u>	31	Balance c/d			<u>3,276</u>
									<u>3,760</u>
<b>June</b>									
1	Balance b/d			3,276 <b>1 of</b>					

(6 marks)

Guo Account									
May				£	May				£
1	Balance b/d			250	25	Bank			250 <b>1</b>
15	Sales Day Book			320 <b>1 of</b>	31	SRDB			24 <b>1 of</b>
25	Sales Day Book			<u>360</u> <b>1 of</b>		Balance c/d			<u>656</u>
				<u>930</u>					<u>930</u>
<b>June</b>									
1	Balance b/d			656 <b>1 of</b>					

(5 marks)

(iv)

Sales Ledger Control Account									
May				£	May				£
1	Balance b/d			2,450	31	SRDB			108 <b>1 of</b>
31	Sales Day Book			12,865 <b>1 of</b>		Bank			2,406 <b>1</b>
				<u>15,315</u>		Discount allowed (CB)			44 <b>1</b>
						Balance c/d			<u>12,757</u>
									<u>15,315</u>
<b>June</b>									
1	Balance b/d			12,757 <b>1 of</b>					

(5 marks)

**(Total 25 marks)**

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