

Series 2 Examination 2011

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## **CERTIFICATE IN BOOK-KEEPING**

Level 1

Wednesday 6 April

Subject code: 1017

Time allowed: **2 hours 30 minutes**

### **INSTRUCTIONS FOR CANDIDATES**

- Answer **all 4** questions.
- All questions carry equal marks.
- Study the “**REQUIRED**” section of each question carefully and extract the data required for your answers from the information supplied.
- Write your answers in blue or black ink/ballpoint. You can only use pencil for graphs, charts, diagrams, etc.
- Begin your answer to each question on a new page.
- All answers must be correctly numbered but need not be in numerical order.
- Workings must be shown.
- You may use a calculator provided the calculator gives no printout, has no word display facilities, is silent and cordless. The provision of batteries and their condition is your responsibility.
- Marks may be lost through lack of neatness and poor presentation.

## QUESTION 1

Belle extracted the following Trial Balance at 31 January 2011:

	£	£
Capital at 1 February 2010		67,127
Premises	35,000	
Equipment	18,000	
Provision for depreciation at 1 February 2010: equipment		6,480
Debtors and Creditors	43,687	16,213
Stock at 1 February 2010	19,400	
Bank balance		3,847
Cash	210	
Purchases and Sales	95,460	258,100
Goods returned	1,240	348
Rent receivable		5,500
Discounts	230	115
Drawings	9,600	
Wages	84,640	
Office expenses	38,420	
Travelling expenses	11,431	
Bank interest	412	
	<u>357,730</u>	<u>357,730</u>

Additional information at 31 January 2011:

- (1) Stock £19,750
- (2) Rent receivable owing £500
- (3) Wages owing £1,580
- (4) Office expenses paid in advance £285
- (5) Depreciation is calculated as follows:  
    equipment - 20% per annum, reducing balance method

### REQUIRED

Prepare the:

- (a) Trading and Profit & Loss Account for the year ended 31 January 2011 (13 marks)
- (b) Balance Sheet at 31 January 2011. (12 marks)

**(Total 25 marks)**

## QUESTION 2

Gerald prepares his accounts to 30 June each year. The business purchased motor vehicles by cheque, as follows:

			£
2008	January	1	12,000
	March	31	9,000
	July	1	13,800
2009	September	30	15,000
2010	February	1	7,500

The business has the following depreciation policy:

- (1) A full year's depreciation will be charged in the year of purchase.
- (2) Depreciation is charged at 20% per annum, straight line method.

### REQUIRED

Prepare, for the **three** years ended 30 June 2008, 30 June 2009 and 30 June 2010, the:

- (a) Motor Vehicles Account (8 marks)
- (b) Provision for Depreciation Account Motor Vehicles. (9 marks)

Hal paid the following:

- (i) New Premises
- (ii) Fixtures for new premises
- (iii) Wages paid to employees to build the new premises
- (iv) Insurance of new premises
- (v) Bought second hand equipment
- (vi) Repairs to equipment
- (vii) Computer, for office use
- (viii) Computers, for stock.

### REQUIRED

- (c) State in the above items (i) to (viii), indicating those which are **capital expenditure** and which are **revenue expenditure**.

(8 marks)

**(Total 25 marks)**

### QUESTION 3

The following information has been extracted from Jean's records:

	£
<b>Balances at 1 February 2011</b>	
Sales Ledger - Dr	18,348
Purchases Ledger - Cr	8,478
<b>February 2011 transactions</b>	
Receipts from debtors	10,370
Payments to creditors	5,595
Credit sales	10,657
Cash sales	3,246
Credit purchases	3,921
Returns inwards	265
Bad debts written off	185
Cash purchases	1,460
Returns outwards	95
Refunds to debtors	125
Discounts received	75
Discounts allowed	103
<b>Balances at 28 February 2011</b>	
Sales Ledger	?
Purchases Ledger	?

#### REQUIRED

(a) Prepare the:

- (i) Sales Ledger Control Account (9 marks)
- (ii) Purchases Ledger Control Account (8 marks)

The following errors were found in Jean's records for March 2011:

- (1) A cheque for £260, received from Will, had been entered in Bill's account
- (2) Purchases, £250, from Joan, had been debited to Jane's account
- (3) A cheque for £385, payable to Greg, had been recorded in the Cash Book as £835
- (4) The Purchases Day Book was undercast by £100.

#### REQUIRED

- (b) Prepare Journal entries to correct the errors (i) to (iv).  
Narratives are **not** required. (8 marks)

**(Total 25 marks)**

#### QUESTION 4

Helen keeps her Petty Cash Book on the imprest system. The imprest of £100.00 is restored on the first day of each month. Helen uses three analysis columns, Travelling expenses, Office expenses and Ledger. The following transactions took place in January 2011 and February 2011:

		Voucher	£
January	1	Balance brought forward	23.81
		Restored imprest	
	6	Petrol	32 25.41
		Bus fares	33 3.25
	13	Tea, sugar and milk	34 11.55
		Bus fares	35 1.75
	21	James (refund to customer)	36 25.00
		Bus fares	37 2.44
	28	Postage	38 5.40
		Stationery	39 9.60
February	1	Restored imprest	
	4	Petrol	40 28.59
		Tea, sugar and milk	41 12.66
	8	Sale of stationery	5.00
	11	Ken (creditor)	42 8.50
		Bus fares	43 3.09
	18	Postage	44 6.80
		Bus fares	45 2.18
	25	Stationery	46 11.25
		Bus fares	47 1.79

#### REQUIRED

- (a) Write up the Petty Cash Book for the month of January and February 2011. Balance the book at the end of each month and restore the imprest on the first day of the following month. (21 marks)

**Remove and use the sheet(s) on pages 6 and 7 to present your answer.**

- (b) Prepare the:
- (i) Travelling Expenses Account (2 marks)
  - (ii) Office Expenses Account. (2 marks)

**(Total 25 marks)**





For Question 4 (a)

Candidate No:.....  
 Centre Code:.....

Petty Cash Book									
Receipts	Date	Details	Voucher number	Total	Analysis Columns				
£				£	£	£	£	£	£

Please staple the completed sheet into your answer book