

**Pearson LCCI**

# **Certificate in Book-keeping**

**Level 1**

Wednesday 2 April 2014

**Time: 2 hours 30 minutes**

Paper Reference

**ASE1017**

**You will need:**

An answer book

## **Instructions**

- Do **not** open this examination paper until you are told to do so by the supervisor.
- Use **black/blue** ink or ball-point pen
  - *pencil can only be used for graphs, charts, diagrams, etc.*
- Ensure your answers are written clearly.
- Begin your answer to each question on a new page.
- Write on both sides of the page.
- All answers must be correctly numbered but need not be in numerical order.
- If you need more space, use the additional sheets provided. Write your name, candidate number and question number on each sheet and attach them to the inside of your answer book. State the number of additional sheets attached on the front of your answer book.
- Answer **all** questions.
- Study the **Required** sections of each question carefully and extract the data required for your answers from the information supplied.
- Workings must be shown.

## **Information**

- The total mark for this paper is 100.
- There are four questions in this question paper
  - *each question carries equal marks.*
- The marks for **each** question are shown in brackets
  - *use this as a guide as to how much time to spend on each question.*
- 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.

## **Advice**

- Read each question carefully before you start to answer it.
- Check your answers carefully if you have time at the end.

**Turn over ►**

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**Answer ALL questions.**

**1** Ahad has produced the following trial balance at 31 December 2013:

	<b>Dr</b>	<b>Cr</b>
	<b>£</b>	<b>£</b>
Purchases and Sales	55,647	180,326
Stock	9,500	
Returns	3,641	954
Discounts	826	485
Interest receivable		150
Wages	48,500	
Motor vehicle expenses	6,452	
General expenses	29,070	
Bad debts	600	
Drawings	12,000	
Motor vehicles:		
Cost	36,500	
Provision for depreciation		14,600
Debtors and Creditors	33,475	9,468
Bank:		
Current account	842	
Deposit account	4,000	
Petty cash	150	
Capital		35,220
	<u>241,203</u>	<u>241,203</u>

**Additional information at 31 December 2013:**

- (1) Stock £11,250
- (2) Stock, taken for own use during the year £840
- (3) Interest receivable owing £50
- (4) Wages accrued £950
- (5) Motor vehicle expenses prepaid £58
- (6) Motor vehicles are depreciated at 20% per annum, using the straight line method.

**Required**

Prepare the:

- (a) Trading and Profit & Loss Account for the year ended 31 December 2013 (13)
- (b) Balance Sheet at 31 December 2013. (12)

**(Total for Question 1 = 25 marks)**

2 Budi has provided the following information for January 2014.

**Balances at 1 January 2014:**

	£
Debtors	128,427
Creditors	48,354

**January 2014 transactions:**

Credit purchases	22,512
Bad debts	156
Returns inwards	65
Credit sales	69,294
Discount received	325
Cash purchases	850
Returns outwards	347
Cash sales	3,500
Cheques from debtors	72,169
Interest charged by suppliers	54
Cash received from debtors	145
Discount allowed	686
Cheque payments to suppliers	31,821

**Required**

(a) Prepare, for January 2014, the:

(i) Sales Ledger Control Account (9)

(ii) Purchases Ledger Control Account. (8)

(b) For each of the following items, state the **book of prime/original entry** that would be used.

- (i) An invoice from a supplier
- (ii) An invoice to a customer
- (iii) A credit note for goods returned outwards
- (iv) A transfer to correct an entry in a ledger account
- (v) A credit note for goods returned inwards
- (vi) A cheque payment to a supplier
- (vii) A bad debt
- (viii) An item of discount received (8)

**(Total for Question 2 = 25 marks)**

**3** Cik's business produces accounts to 31 December annually. The following motor vehicle purchases have been made by cheque:

<b>2011</b>			<b>£</b>
January	16	Motor vehicle A	12,000
<b>2012</b>			
August	14	Motor vehicle B	15,000
<b>2013</b>			
March	20	Motor vehicle C	13,500
November	5	Motor vehicle D	16,500

The business depreciation policy is as follows:

A full year's charge in the year of purchase  
 Reducing balance method at a rate of 40% per annum

**Required**

- (a) Prepare, for the years ended **31 December 2011, 2012** and **2013**, the:
  - (i) Motor Vehicle Account (8)
  - (ii) Provision for Depreciation of Motor Vehicles Account. (9)
- (b) Prepare the Balance Sheet extract for motor vehicles at **31 December 2013**. (2)
- (c) State whether each of the items below, is **capital expenditure, revenue expenditure** or **neither**.
  - (i) Decorating the business' office
  - (ii) New computer for use in the office
  - (iii) Private medical bill
  - (iv) Office celebration dinner
  - (v) Reimbursing the petty cash imprest
  - (vi) Extension to the business office (6)

**(Total for Question 3 = 25 marks)**

4 Dian keeps her Petty Cash Book on the imprest system, with a float of £100.00. Dian uses the following three analysis columns:

- Postage and stationery
- Travelling expenses
- Office refreshments

The last voucher used in 2013 was number 75.

The following petty cash transactions occurred during January and February 2014:

		£
January	1 Petty cash in hand	63.75
	1 Restored imprest	
	3 Bought refreshments	12.24
	7 Bought envelopes	9.99
	15 Paid for petrol	24.64
	20 Paid postage	20.00
	25 Bought refreshments	6.50
February	1 Restored imprest	
	4 Bought pens and pencils	7.50
	6 Received from sale of postage stamps	5.00
	12 Paid rail fare	32.60
	13 Bought refreshments	9.68
	21 Paid postage	25.00
	26 Paid for petrol	16.73

### Required

(a) **Remove and use the sheet on page 7 to present your answer.**

Prepare the Petty Cash Book for the months of January and February 2014, and restore the imprest again on 1 March 2014.

(20)

(b) Prepare the following showing the January and February entries:

(i) Postage and Stationery Account

(ii) Travelling Expenses Account.

(5)

**(Total for Question 4 = 25 marks)**

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**TOTAL FOR PAPER = 100 MARKS**

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For Question 4(a) – remove and return this sheet.

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

Petty Cash Book						
Receipts	Date	Details	Voucher Number	Total Payments	Analysis Columns	
					(Please refer to the question for number of columns to be used)	
£				£	£	£
					£	£
					£	£
					£	£
					£	£

Please staple this completed sheet into your answer book

For Question 4(a) – remove and return this sheet.

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

Petty Cash Book						
Receipts	Date	Details	Voucher Number	Total Payments	Analysis Columns	
					(Please refer to the question for number of columns to be used)	
£				£	£	£
					£	£
					£	£
					£	£

Please staple this completed sheet into your answer book