

Series 3 Examination 2011

CERTIFICATE IN BOOK-KEEPING

Level 1

Wednesday 1 June

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

Helen had £600.00 cash and a bank overdraft of £843.27 on 31 January 2011.

She made the following cash and bank transactions during February 2011:

February	3	Banked £250.00 cash
	7	Paid wages in cash £275.00
	8	Banked John's cheque for £943.85
	12	Cash sales £450.00
	14	Paid wages in cash £285.00
	17	Banked a cheque from Fran, for £354.00, who had deducted £6.00 discount.
	18	Paid the balance on Colin's account £400.00, by cheque after deducting 2% discount
	21	Withdrew £300.00 from the bank for office use Paid wages in cash £280.00
	25	Paid James by cheque £138.67
	28	Banked Gill's cheque for 284.84.

REQUIRED

(a) Prepare Helen's Three Column Cash Book for the month of February 2011.

(15 marks)

Helen's Bank Statement shows:

		Dr £	Cr £	Balance £	
February	1	Balance		843.27	Dr
	7	Banking	250.00	593.27	Dr
	8	Banking	943.85	350.58	Cr
	12	Charges	25.00	325.58	Cr
	17	Banking	354.00	679.58	Cr
		DD - Electricity	150.00	529.58	Cr
	19	CT - Ella		615.22	Cr
	21	Cheque	300.00	315.22	Cr

REQUIRED

(b) Prepare the:

(i) Cash Book update (bank columns only)

(5 marks)

(ii) Bank Reconciliation Statement at 28 February 2011.

(5 marks)

(Total 25 marks)

QUESTION 2

Alison had the following balances at 31 March 2011:

	£
Capital	12,356
Office expenses	1,845
Equipment	5,200
Stock	4,950
Purchases	25,489
Sales	81,375
Provision for depreciation on motor vehicles	7,360
Travelling expenses	4,831
Sales returns	244
Debtors	14,580
Bad debts	620
Provision for depreciation on equipment	2,080
Premises	27,500
Rent receivable	2,400
Bank charges	480
Motor vehicles	18,400
Discount received	748
Creditors	4,267
Discount allowed	843
Wages	12,500
Bank	?

REQUIRED

- (a) Prepare the Trial Balance at 31 March 2011, recording the balancing figure as her Bank balance.
- (b) State **two** reasons why Alison would prepare a trial balance.

(21 marks)

(4 marks)

(Total 25 marks)

QUESTION 3

Harold purchased the following vehicles and equipment. All payments were made by cheque.

2009			£
January	1	Vehicle A	12,000
April	14	Equipment	6,500
September	16	Vehicle B	15,000
2010			
February	4	Equipment	5,200
July	1	Vehicle C	13,500
November	26	Equipment	4,000

Harold's depreciation policy is:

- (1) A full year's depreciation is charged in the year of purchase
- (2) Vehicles depreciation is 20% per annum, reducing balance
- (3) Equipment depreciation is 10% per annum, straight line.

REQUIRED

- (a) Prepare for the years ended 31 December 2009 and 31 December 2010 the:
- (i) Vehicles Account (5 marks)
 - (ii) Equipment Account (5 marks)
 - (iii) Provision for Depreciation on Vehicles Account (6 marks)
 - (iv) Provision for Depreciation on Equipment Account. (5 marks)

REQUIRED

- (b) Prepare the Balance Sheet extract showing the fixed assets owned by Harold at 31 December 2010. (4 marks)

(Total 25 marks)

QUESTION 4

John keeps his Petty Cash Book on the imprest system. The imprest on 1 April 2011 was £250.00. The petty analysis columns used by John are:

- Travelling expenses
- General expenses
- Stationery and Postage expenses

The last voucher used in March was number 683.

The following transactions took place during May and June:

2011		£
April	1 Balance brought forward	112.63
	Restored imprest to £250.00	?
	6 Petrol	22.54
	8 Tea	5.48
	10 Rail fares	14.65
	Stationery	18.24
	15 Milk and coffee	7.89
	27 Petrol	23.47
	30 Postage	20.00
May	1 Drew cash to permanently reduce the imprest to £200	?
	4 Milk	2.40
	7 Coffee	6.47
	11 Stationery	15.41
	16 Petrol	26.87
	19 Rent received in cash	30.00
	24 Postage	25.00
	28 Rail fares	37.95

REQUIRED

- (a) Write up and balance the Petty Cash Book for the months of April and May 2011.

(21 marks)

Remove and use the sheet(s) on page (6) to present your answer

- (b) Prepare for April and May 2011 the:

(i) Stationery and Postage Account

(2 marks)

(ii) Travelling 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

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