

**Series 3 Examination 2012**

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**CERTIFICATE IN BOOK-KEEPING**

**Level 1**

**Tuesday 5 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

The list of balances from Ari's books at 31 December 2011 was as follows:

	£
Equipment	25,000
Motor vehicle expenses	5,467
Sales	145,000
Cash	250
Stock at 1 January 2011	9,250
Capital	59,850
General expenses	48,413
Returns inwards	2,410
Provision for depreciation - Motor vehicles	11,400
Debtors	24,680
Purchases	55,400
Bank loan	10,000
Motor vehicles	28,500
Returns outwards	1,745
Carriage inwards	925
Drawings	2,400
Provision for depreciation - equipment	10,000
Wages and salaries	44,350
Carriage outwards	1,650
Creditors	8,461
Bank (to balance)	?

### REQUIRED

- (a) Prepare the Trial Balance at 31 December 2011. (21 marks)
- (b) List **four** items of additional information that you would need to know to be able to prepare the final accounts for 2011. (4 marks)
- (Total 25 marks)**

## QUESTION 2

On 1 May 2011 Bhanee had a cash balance of £245.00 and a balance at bank of £62.77Dr. The following cash and bank transactions took place during May 2011:

May	Cheque N <sup>o</sup>	£
5 Cash sales		385.00
6 Wages, paid by cash		216.50
Banked cash		200.00
8 Banked cheque from Bjorn who claimed £1.50 cash discount		148.50
10 Paid Kai's account of £750.00, less 2% cash discount	168	?
Paid Zeno by cheque	169	75.46
19 Cash sales		155.00
20 Wages, paid by cash		236.25
23 Banked cheque from lola		367.81
25 Drawings	170	150.00
Travelling expenses, paid by cash		54.80
Paid Ella's account of £440, less cash discount	171	431.20
30 Cash sales		250.00

### REQUIRED

- (a) Prepare the Three-column Cash Book for May 2011.

(16 marks)

Bhanee's bank statement for May 2011 was as follows:

May	Debit £	Credit £	Balance £	
1			62.77	Cr
6		200.00	262.77	Cr
8	55.00		207.77	Cr
		148.50	356.27	Cr
15		580.00	936.27	Cr
18	735.00		201.27	Cr
23		367.81	569.08	Cr
	20.00		549.08	Cr
28	150.00		399.08	Cr

### REQUIRED

- (b) Update the bank columns of the Cash Book.
- (c) Prepare the Bank Reconciliation Statement at 31 May 2011.

(5 marks)

(4 marks)

**(Total 25 marks)**

### QUESTION 3

Greta's provisional accounts for the year ended 30 September 2010 show a gross profit of £45,327 and a net profit of £12,468.

On checking the financial statements Greta has found several errors:

- (1) An invoice for goods supplied to Amir, £326, has been recorded as £362
- (2) A credit note for goods returned to Bluze, £247, has not been recorded
- (3) An invoice, £1,853, for redecorating the offices has been posted to the Land and Buildings Account
- (4) A payment of £800 for insurance has been debited to the Purchases Account.

### REQUIRED

- (a) Identify the types of error in (1) to (4) above (4 marks)
- (b) Prepare the journal entries to correct the errors in (1) to (4) above. Narratives are not required. (8 marks)
- (c) Prepare a table to show the effect, on Gross Profit and Net Profit, of the correction of each of the above errors. The format of this table is set out below: (13 marks)

	<b>Gross Profit</b>		<b>Net Profit</b>	
	£	£	£	£
From provisional accounts			45,327	12,468
Adjustments:	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
(1)				
(2)				
(3)				
(4)				
Net effect on profits				
Revised profits				

**(Total 25 marks)**

#### QUESTION 4

Saul keeps his Petty Cash book on the imprest system. The imprest, £150.00, is restored on the first day of each month.

Saul uses **three** analysis columns, these being:

- Postage and stationery
- Office expenses
- Travelling expenses

The following transactions took place in May and June 2011:

		<b>Voucher Number</b>	<b>£</b>
May	1 Balance brought forward		83.25
	Restored Imprest		
	4 Postage	24	25.00
	10 Stationery	25	10.54
	11 Rail fare	26	36.85
	Cash sale		35.00
	18 Coffee	27	3.65
	19 Postage	28	25.00
	26 Tea	29	3.25
June	1 Restored Imprest		?
	4 Stationery	30	24.30
	11 Postage	31	27.50
	14 Ink jet refills	32	14.76
	18 Tea	33	3.26
	19 Rail fare	34	47.12
	25 Sale of stationery		5.00
	28 Coffee	35	3.75

#### REQUIRED

- (a) Write up Saul's Petty Cash Book for May and June 2011, carrying forward the balance at the end of each month. (Remove and use the petty cash sheet from the next page) (21 marks)
- (b) Prepare the Postage and Stationery account and balance the accounts for May and June 2011. (4 marks)

**(Total 25 marks)**

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For Question 4 (a)

Candidate No:.....

Centre No:.....

**Petty Cash Book**

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

Please staple the completed sheet into your answer book

For Question 4 (a)

Candidate No:.....

Centre No:.....

**Petty Cash Book**

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

Please staple the completed sheet into your answer book