

Certificate in Book-keeping

ASE1017

Level 1

Monday 3 June 2013

Time allowed: 2 hours 30 minutes

Information

- There are 4 questions in this examination.
 - Total marks available: 100
 - All questions carry equal marks.
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Instructions

- Do **not** open this paper until you are told to do so by the supervisor.
 - Answer **all questions**.
 - 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.
 - Please ensure your answers are written clearly.
 - 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.
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Question 1

Lian has prepared the following Trial Balance at 31 March 2013

	Dr £	Cr £
Purchases and sales	86,451	215,680
Returns	1,269	627
Rental received		900
General expenses	45,825	
Wages	83,500	
Drawings	6,000	
Motor expenses	3,654	
Premises	44,000	
Motor vehicles	24,800	
Equipment	11,500	
Stock at 1 April 2012	8,500	
Debtors and creditors	33,472	12,942
Provisions for depreciation:		
Motor vehicles		6,200
Equipment		3,450
Bank		9,172
Capital		<u>100,000</u>
	<u>348,971</u>	<u>348,971</u>

Additional information at 31 March 2013

- (1) Stock £8,750
- (2) Motor expenses includes £750 for carriage of goods from suppliers
- (3) Rent received, £300, was not recorded in the books. Lian used this money for private purposes
- (4) General expenses prepaid £850
- (5) Wages accrued £1,650
- (6) A debt of £450 should be treated as irrecoverable
- (7) Depreciation should be calculated:
 Motor vehicles 25% per annum, reducing balance method
 Equipment 10% per annum, straight line method

Required

Prepare the:

- (a) Trading and Profit and Loss Account for the year ended 31 March 2013
(14 marks)
 - (b) Balance Sheet at 31 March 2013
(11 marks)
- (Total 25 marks)**

Question 2

Feng sells goods on credit at list price, less trade discount.

1. At 1 April 2013 he had the following debtors

	£
Cheng	750
Ju	315
Lan	2,460
Ning	865

Transactions in April were as follows:

2. Sales

April			Units	Unit price £	Trade discount %
3	Cheng	Shirts	55	18.00	30
6	Lan	Jackets	60	33.50	50
14	Cheng	T-shirts	80	8.00	30
20	Ning	T-shirts	95	6.00	40
25	Lan	Trousers	45	22.00	50
30	Cheng	Shirts	36	10.00	30

3. Sales returns

April			Units	Original sale date
8	Cheng	Shirts	5	April 3
29	Ning	T-shirts	10	April 20

4. Cheques received

April		£	
10	Cheng	735	(after deducting 2% cash discount)
12	Ning	784	(after deducting 2% cash discount)
29	Lan	1,480	

5. The balance due from Ju was written off as bad on 30 April.

Required

Prepare, for April 2013, the:

- (a) Sales Day Book (6 marks)
- (b) Sales Returns Book (2 marks)
- (c) Cash Book (debit columns) (3 marks)
- (d) Cheng Account (7 marks)
- (e) Sales Ledger Control Account. (7 marks)

(Total 25 marks)

Question 3

Hakim has a transport business. He prepares his accounts to 31 March each year. The following motor vehicle purchases were made by cheque:

				£
2010	April	16	Vehicle A	8,000
	August	23	Vehicle B	9,200
2011	January	5	Vehicle C	10,000
	October	21	Vehicle D	8,400
2012	February	28	Vehicle E	9,600
	June	10	Vehicle F	12,000
2013	March	4	Vehicle G	10,500

Hakim depreciates motor vehicles at 30% per annum, using the reducing balance method. A full year's depreciation charge is made in the year of purchase.

Required

Prepare, for **each of** the years ending 31 March 2011, 2012 and 2013, the:

- (a) Motor Vehicles Account (10 marks)
- (b) Motor Vehicles Provision for Depreciation Account. (8 marks)

Hakim made the following cheque payments during April 2013

- (i) Purchased a computer for use in the office
- (ii) Painted the office
- (iii) Purchased filing cabinets for the office
- (iv) Paid creditors
- (v) Purchased 6 computers for resale
- (vi) Made a refund to a debtor who had overpaid
- (vii) Paid a personal tax bill.

Required

- (c) State whether the items (i) to (vii) above are treated as **capital expenditure, revenue expenditure or neither.** (7 marks)

(Total 25 marks)

Question 4

Noor keeps her petty cash book on the imprest system, the imprest being maintained at £200.00. The book has three expenditure analysis columns:

- office expenses
- travelling expenses
- purchases

On 31 March 2013, there was £65.80 cash in the petty cash box. The last voucher recorded in March was number 832.

The following petty cash transactions occurred:

April	1	Restored imprest
	1	Tea £3.45
	3	Stationery £5.80
	7	Train tickets £18.46
	8	Paid Malik's account £9.85
	12	Cash sale £40.00
	18	Postage £12.60
	21	Petrol £25.00
	24	Paid Aban's account £19.99
	27	Coffee £7.45
	28	Parking fees £6.00
	30	Stationery £36.14
May	1	Restored imprest

Required

- (a) Write up Noor's petty cash book for April 2013, carry forward the balance at the end of April 2013 and restore the imprest.

(Remove and use the petty cash sheet on pages 7 and 8 to present your answer.)

(17 marks)

- (b) Prepare, for April 2013, the Travelling Expenses Account.

(2 marks)

When writing up his books, Ajib made the following errors

- (i) Repairs to buildings, £1,500, has been debited to the Premises Account.
- (ii) An invoice for £239, goods sold to Ng, has been entered in the Sales Day Book as £293.

Required

For each item:

- (c) state the type of error that has been made

(2 marks)

- (d) prepare the journal entries to correct the errors (narrations are **not** required).

(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 the 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 the number of columns to be used)				
£				£	£	£	£	£	£

Please staple the completed sheet into your answer book