

Pearson LCCI

Certificate in Book-keeping

Level 1

Tuesday 3 June 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, on the front of your answer book, the number of additional sheets attached.
- 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** On 31 January 2014, Esah had a bank balance of £183, and a cash balance of £25. The following transactions took place during February 2014:

			Cheque N^o	£
Feb	2	Cash sale £140		
	5	Received, and banked, a cheque for £480 from Chic, in full settlement of a debt of £500		
	6	Paid wages by cash £125		
	9	Cash sale £331		
	10	Banked £200 cash		
	12	Paid Dara's account of £240 by cheque, having deducted £12 discount	654	228
	19	Paid wages by cash £130		
	23	Received, and banked, a cheque for £680 from Desa		
	27	Paid Deris by cheque	655	95
	28	Esah drew a cheque for private use	656	150
	28	Paid Haron's account by cheque, having deducted £2 discount	657	98

Required

- (a) Prepare Esah's 3 column Cash Book for the month of February.

(15)

Esah's Bank Statement, received on 5 March 2014, is as follows:

		Debit £	Credit £	Balance £	
2014					
Feb	1			183	Cr
	5		480	663	Cr
	8	75		588	Cr
	10		200	788	Cr
	11	12		776	Cr
	15		100	876	Cr
	18	228		648	Cr
	23		680	1,328	Cr
	28	150		1,178	Cr

Required

- (b) Using information from the Bank Statement, update the bank columns of Esah's Cash Book.

(5)

- (c) Prepare the Bank Reconciliation Statement at 28 February 2014.

(5)

(Total for Question 1 = 25 marks)

2 Required

(a) State what is meant by the following balance sheet terms:

- (i) Creditors
- (ii) Accruals

(2)

Fajar's Trial Balance at 31 January 2014 showed:

	Dr	Cr
	£	£
Purchases and Sales	55,284	137,627
Stock at 1 February 2013	10,640	
Returns	9,734	382
Discount allowed	648	
Wages	49,147	
Electricity	15,830	
General expenses	35,423	
Motor vehicle expenses	12,470	
Drawings	6,000	
Equipment at cost	34,200	
Motor vehicles at cost	16,800	
Provisions for depreciation:		
Equipment		20,520
Motor vehicles		9,920
Debtors and Creditors	28,650	13,750
Bank		9,687
Capital		82,940
	<u>274,826</u>	<u>274,826</u>

Additional information at 31 January 2014:

- (1) Stock £11,000
- (2) Electricity accrued £850
- (3) Wages accrued £1,100
- (4) Motor expenses prepaid £650
- (5) Equipment is depreciated at 10% per annum, using the straight line method
- (6) Motor vehicles are depreciated at 20% per annum, using the reducing balance method.

Required

Prepare the:

(b) Trading and Profit & Loss Account for the year ended 31 January 2014

(15)

(c) Balance Sheet at 31 January 2014.

(8)

(Total for Question 2 = 25 marks)

3 Gombak has a wholesale stationery business. During May 2014 he made sales as follows:

May	Customer	Product	Quantity	Unit Retail Price
1 (i)	Embun	Pens	1,000	£1.60 each
3 (ii)	Hitam	Paper	50 reams	£3.50 per ream
8 (iii)	Suria	Pencils	2,000	£2.50 per pack of 10
10 (iv)	Mamat	Erasers	300	£2.00 per pack of 10
15 (v)	Suria	Paper clips	500 boxes	£1.25 per box
17 (vi)	Hitam	Pens	2,000	£3.25 each

The following goods were returned:

May	Customer	Product	Quantity	From sale on
7	Hitam	Paper	10 reams	May 3
14	Mamat	Erasers	2 packs of 10	May 10

Gombak allows the following trade discount rates:

Embun	20%
Hitam	30%
Suria	25%
Mamat	10%

Required

(a) Prepare the:

- (i) Sales Day Book (12)
- (ii) Sales Returns Day Book. (4)

On 1 May 2014, Hitam owed Gombak £4,250. During May 2014 Hitam paid Gombak £3,750, by cheque.

Required

- (b) Prepare Hitam's account for May 2014. (7)
- (c) Give **one** reason why **each** of the following allowances is made to customers:
 - (i) Trade discount
 - (ii) Cash discount (2)

(Total for Question 3 = 25 marks)

4 The following balances were available from the books of Harum on 1 February 2014:

	£
Sales ledger	9,654
Purchases ledger	2,975

The following information is available for the month of February 2014:

	£
Cheques received from customers	6,912
Cheques paid to suppliers	1,832
Purchases returns	144
Credit transfers received from customers	430
Credit sales	10,597
Cash sales	450
Sales returns	175
Credit purchases	2,864
Discount received	54
Bad debts written off	127
Discount allowed	119

Required

(a) Prepare, for the month of February, the:

(i) Debtors Control Account (10)

(ii) Creditors Control Account. (8)

Harum made the following cheque payments during February 2014:

- (1) Repayment of a long-term loan
- (2) Insurance premium
- (3) Materials for use in the business
- (4) Wages for repairs to Harum's home
- (5) Second-hand office furniture
- (6) Decorating offices
- (7) New office furniture.

Required

(b) State whether each of the items (1) to (7) above, is **capital expenditure**, **revenue expenditure** or **neither**. (7)

(Total for Question 4 = 25 marks)

TOTAL FOR PAPER = 100 MARKS

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