

Series 4 Examination 2011

CERTIFICATE IN BOOK-KEEPING

Level 1

Monday 7 November

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 following Trial Balance was extracted from Lucy's books at 28 February 2011:

	Dr £	Cr £
Capital at 1 March 2010		14,880
Equipment	9,000	
Vehicles	11,000	
Stock at 1 March 2010	5,450	
Provisions for depreciation:		
equipment		4,200
vehicles		4,600
Sales		94,827
Purchases	32,849	
Returns	217	628
General expenses	18,647	
Vehicle expenses	4,852	
Wages	26,214	
Drawings	3,600	
Discounts	746	233
Bank		4,592
Cash	250	
Debtors and Creditors	<u>16,782</u>	<u>5,647</u>
	<u>129,607</u>	<u>129,607</u>

Additional information at 28 February 2011:

	£
(1) Stock	5,780
(2) Included in General expenses is the cost of decorating Lucy's house	650
(3) Wages accrued	520
(4) Vehicle expenses prepaid	175
(5) Depreciation is calculated as follows: equipment - 20% per annum on cost vehicles – 20% per annum reducing balance	
(6) A bad debt of £286 to be written off.	

REQUIRED

Prepare the:

- (a) Trading and Profit & Loss Account for the year ended 28 February 2011 (12 marks)
- (b) Balance Sheet at 28 February 2011. (13 marks)

(Total 25 marks)

QUESTION 2

Ken's Trading and Profit & Loss Account for the year ended 31 December 2010 showed a gross profit of £32,400 and net profit of £7,820. Subsequently the following errors were found in the books:

- (1) Petrol purchased on credit from Jim's Garage, £150, had not been recorded in the books
- (2) Stationery, £45, had been debited to the Purchases Account
- (3) No record had been made of stock, cost £520, taken by Ken for his personal use
- (4) Ken introduced capital during the year, £2,000, this has been credited to Sales Account
- (5) The stock sheets at 31 December 2010 totalled £8,530, the stock figure included in the final accounts was £5,830
- (6) Discount allowed to Ethel, £13, had been debited to her personal account and credited to the Discount Allowed Account.

REQUIRED

- (a) Prepare the Journal entries to correct each of the items, (1) to (6) above. Narratives are **not** required. (14 marks)
- (b) Prepare a table, **as below**, and show the effect of correcting each of the above items (1) to (6) on both the gross profit and the net profit. Item (1) has been adjusted as an example. (11 marks)

	Gross Profit		Net Profit	
	Plus	Minus	Plus	Minus
Profit as per accounts	£	£	£	£
Effect on profit				
(1)	-	-	-	150
(2)				
(3)				
(4)				
(5)				
(6)				
Net effect	_____	_____	_____	_____
Revised profit		_____		_____

(Total 25 marks)

QUESTION 3

Jayne keeps her Petty Cash Book on the imprest system. The imprest was restored to £100.00 on 1 March 2011. Jayne uses three analysis columns:

- Travelling expenses
- General expenses
- Postage and Stationery expenses.

The last voucher used in February was number 342.

The following transactions took place during March and April:

2011			£
March	1	Balance brought down	8.34
		Restored imprest to £100	?
	5	Stationery	6.42
	7	Petrol	32.68
	12	Postage	12.00
		Coffee	6.23
	17	Milk and tea	8.46
	23	Rail fares	25.15
	28	Stationery	7.29
April	1	Restored imprest to £150	?
	8	Rail fares	45.20
		Milk	2.55
	13	Postage	15.00
	15	Cash sales	25.00
	20	Milk and sugar	5.46
	21	Petrol	38.64
	25	Stationery	13.55

REQUIRED

- (a) Prepare the Petty Cash Book for March and April and carry the balance forward at the end of each month. (21 marks)

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

- (b) Prepare for March and April 2011 the:
- (i) General Expenses Account (2 marks)
 - (ii) Postage and Stationery Account. (2 marks)

(Total 25 marks)

QUESTION 4

At 31 January 2011 Ann's books had the following balances:

	£
Capital	682
Cash	500
John (a supplier)	417
Jean (a customer)	599

During February 2011, the following transactions took place:

		£	
February	2	Paid John in cash	120
	12	Received from Jean in cash	241
	18	Purchased goods on credit from John	121
		Sold goods on credit to Jean	288
	27	Cash sale	50

REQUIRED

Prepare the:

- (a) Ledger accounts in the books of Ann for the month of February 2011.
Balance the accounts and carry down the balances

Day books are **not** required. (19 marks)

- (b) Trial Balance at 28 February 2011. (6 marks)

(Total 25 marks)

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For Question 3 (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

