

Pearson LCCI

Level 1 Certificate in Bookkeeping

Examination Paper

Sample assessment material for first teaching January 2015
Time: 2 hours

You do not need any other materials.

Total Marks 100

Instructions

- Use black ink or ball-point pen.
- Fill in the boxes at the top of this page with your name, centre number and candidate number.
- There are two sections in this question paper. Answer all questions from each section.
- Answer the questions in the space provided.
- *there may be more space than you need.*
- Answers should be given to an appropriate degree of accuracy.

Information

- The total mark for this paper is 100.
- The marks for each question are shown in brackets.
- *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- You are advised to show your workings.
- Check your answers if you have time at the end.

SECTION A

Answer ALL questions.

Questions must be answered with a cross in a box [x]. If you change your mind about an answer, put a line through the box [x] and then mark your new answer with a cross [x].

1 Which account always has a credit balance?

<input type="checkbox"/>	A Capital
<input type="checkbox"/>	B Cash
<input type="checkbox"/>	C Drawings
<input type="checkbox"/>	D Premises

(Total for Question 1 = 1 mark)

2 In which book of original entry is a suppliers invoice entered?

<input type="checkbox"/>	A Journal
<input type="checkbox"/>	B Purchases day book
<input type="checkbox"/>	C Return outwards day book
<input type="checkbox"/>	D Sales day book

(Total for Question 2 = 1 mark)

3 Which book of original entry is also part of the ledger?

<input type="checkbox"/>	A Cash book
<input type="checkbox"/>	B Journal
<input type="checkbox"/>	C Petty cash book
<input type="checkbox"/>	D Returns inward day book

(Total for Question 3 = 1 mark)

4 A business has a debit balance on its bank account.

Where is this shown in a statement of financial position?

<input type="checkbox"/>	A Current assets
<input type="checkbox"/>	B Current liabilities
<input type="checkbox"/>	C Non-current assets
<input type="checkbox"/>	D Non-current liabilities

(Total for Question 4 = 1 mark)

5 Which balance is incorrect if capital expenditure is treated as revenue expenditure?

<input type="checkbox"/>	A Bank balance
<input type="checkbox"/>	B Profit for the year
<input type="checkbox"/>	C Trade payables
<input type="checkbox"/>	D Trade receivables

(Total for Question 5 = 1 mark)

TOTAL FOR SECTION A = 5 MARKS

SECTION B

Answer ALL questions. Write your answers in the spaces provided.

- 6 Bob Jones is an electrical wholesaler who sells goods on a credit basis to several local retailers. His credit customers receive 25% trade discount.

On 1 June 2014, the following balances were due from his credit customers:

Roberts Electrical	£180
Bright Sparks	£120
E Watts	£150

During the month of June 2014, he made the following transactions:

Date	Transaction
3 June	Sold goods on credit to Roberts Electrical, list price £120
7 June	Bright Sparks returned goods, list price £52, which had been sold to them on credit in May 2014
11 June	Received a cheque from E Watts in settlement of his account balance on 1 June 2014
18 June	Sold goods on credit to Bright Sparks, list price £280
28 June	Received a cheque from Bright Sparks in full settlement of their account
29 June	Sold goods on credit to Roberts Electrical, list price £280
30 June	The cheque received from E Watts on 11 June 2014 is returned by the bank as dishonoured

(a) Complete the table for each transaction in Bob Jones' books.

Transaction date	Document	Book of original entry
3 June		
7 June		
11 June		

(6)

(b) Prepare the following ledger accounts in Bob Jones' books. Balance the accounts on 30 June 2014 and bring the balances down on 1 July 2014.

(i) Roberts Electrical Account

Date	Details	£	Date	Details	£

(6)

(ii) Bright Sparks Account

Date	Details	£	Date	Details	£

(7)

(iii) E Watts Account

Date	Details	£	Date	Details	£

(4)

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Bob Jones is considering offering cash discounts to his credit customers.

(c) Explain one benefit that this may bring to his business.

(2)

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(Total for Question 6 = 25 marks)

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- 7 Mrs Williams uses a petty cash book as part of her accounting system. The imprest amount is £300. On 1 March 2014 the balance in the petty cash book was £26.50

During the first week in March she made the following petty cash transactions.

Date	Petty Cash Voucher Number	Transaction
1 March		Received from the chief cashier an amount to make up the petty cash imprest
2 March	320	Purchased envelopes and paper, £12.50
3 March	321	Paid employees travel expenses, £11.00
3 March	322	Paid a creditor, T Burton, £27.80
4 March	323	Purchased postage stamps, £6.50
5 March	324	Paid a creditor, R Richards, £15.00
6 March	325	Paid for parcel postage, £6.90
7 March	326	Paid interviewees travel expenses, £8.50

- 8 A sole trader extracted the following information from the month of April 2014.

	£
Trade receivables ledger balances on 1 April 2014	21 000 (Dr) 298 (Cr)
For the month of April 2014	
Credit sales	32 890
Cash sales	2 167
Returns from credit customers	1 632
Bad debts written off	240
Receipts from credit customers	27 222
Discounts allowed to credit customers	1 288
Dishonoured cheques	250
Transfers to trade payables ledger	180

On 30 April 2014, the trade receivables ledger balances totalled £23 720.

(b) Explain why there may be errors in the trade receivables ledger.

(4)

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(Total for Question 8 = 15 marks)

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PLEASE TURN OVER FOR QUESTION 9

- 9 Mrs Kalit provided the following information for the year ended 30 September 2014 after the preparation of her income statement.

	£
Fixtures and fittings - cost	20 000
Fixtures and fittings - accumulated depreciation	6 000
Motor vehicles - cost	22 000
Motor vehicles - accumulated depreciation	7 000
Bank loan - November 2020	5 000
Closing inventory	21 399
Trade payables	21 167
Trade receivables	32 121
Petty cash	100
Cash at bank	2 194 (Cr)
Owner's equity	46 273
Drawings	40 944
Profit for the year	48 930

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(Total for Question 9 = 15 marks)

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10 (a) Describe each of the following payment methods:

(i) direct debit

(2)

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(ii) standing order

(2)

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(b) On 30 June 2014 the cash book of Mr Singh showed a debit balance of £3 290 in his bank account. On the same day, his bank statement showed a credit balance of £2 806.

Following an investigation, the following differences were identified:

- Several cheques issued in June 2014 had not been presented to the bank for payment. These totalled £2 100.
- A payment by standing order on 23 June 2014 for £600, for rent, had not been recorded in his cash book.
- A deposit of cash and cheques paid into the bank on 29 June 2014 totalling £2 188. This had not been processed by the bank.
- A payment of £150 for his monthly electricity bill was paid by direct debit on 28 June 2014. This had not been recorded in his cash book.
- Bank charges recorded on the bank statement of £36 had not been entered in the cash book.
- A receipt of monies from a debtor (Ms Hussein) totalling £390 had been paid directly into the bank on 12 June 2014. This had not been recorded in the cash book.

- (i) Update the cash book at 30 June 2014, bringing the balance down on 1 July 2014.

(6)

Cash Book (Bank Column only)

Date	Details	£	Date	Details	£

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(ii) Prepare a bank reconciliation statement at 30 June 2014.

(5)

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(Total for Question 10 = 15 marks)

TOTAL FOR SECTION B = 95 MARKS
TOTAL FOR PAPER = 100 MARKS

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Mark Scheme

Sample Assessment Materials

Pearson LCCI Level 1 Certificate in
Bookkeeping (ASE20091)

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.
- Where marks are awarded for own figure answers, these marks can only be awarded if evidence of how the candidate arrived at their values has been provided (their workings).
- If candidate's fail to provide their workings when instructed in the paper, it may not be possible to achieve all marks associated with the question, even if the final answer is correct.
- For calculation questions full marks can be awarded where correct answer is seen with no workings shown, unless question states that candidate must provide workings.

Abbreviations

of **Own Figure rule**

Accuracy marks can be awarded where the candidates' answer does not match the mark scheme, though is accurate based on their valid method.

cao **Correct Answer Only rule**

Accuracy marks will only be awarded if the candidates' answer is correct, and in line with the mark scheme.

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Section A

Question	Answer (AO1) 1	Mark
1	A	(1)

Question	Answer (AO1) 1	Mark
2	B	(1)

Question	Answer (AO1) 1	Mark
3	A	(1)

Question	Answer (AO1) 1	Mark
4	A	(1)

Question	Answer (AO2) 1	Mark
5	B	(1)

(Total for Section A = 5 marks)

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Section B

Question	Answer (AO1) 6	Mark												
6(a)	<p>Award 1 mark (up to a maximum of 6 marks) for each correct box.</p> <table border="1"> <thead> <tr> <th>Transaction date</th> <th>Document</th> <th>Book of original entry</th> </tr> </thead> <tbody> <tr> <td>3 June</td> <td>Sales invoice (1)</td> <td>Sales day book (1)</td> </tr> <tr> <td>7 June</td> <td>Credit note (1)</td> <td>Returns inwards book (1)</td> </tr> <tr> <td>11 June</td> <td>Receipt (1)</td> <td>Cash book (1)</td> </tr> </tbody> </table>	Transaction date	Document	Book of original entry	3 June	Sales invoice (1)	Sales day book (1)	7 June	Credit note (1)	Returns inwards book (1)	11 June	Receipt (1)	Cash book (1)	(6)
Transaction date	Document	Book of original entry												
3 June	Sales invoice (1)	Sales day book (1)												
7 June	Credit note (1)	Returns inwards book (1)												
11 June	Receipt (1)	Cash book (1)												

Question	Answer (AO2) 6	Mark																																				
6(b)(i)	<p>Award marks for correct date, details and amounts in combination.</p> <p>Rows 2 and 3 award 2 marks if 25% discount has been applied correctly. Award 1 mark if 25% has not been applied.</p> <p style="text-align: center;">Roberts Electrical Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>1 June</td> <td>Balance b/f</td> <td>180 (1)</td> <td>Jun 30</td> <td>Balance c/d</td> <td>480</td> </tr> <tr> <td>3 June</td> <td>Sales</td> <td>90 (2)/120 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>29 June</td> <td>Sales</td> <td>210 (2)/280 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>480</u></td> <td></td> <td></td> <td><u>480</u></td> </tr> <tr> <td>1 July</td> <td>Balance b/d</td> <td>480 (1 of for both cr and dr being the same)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	£	Date	Details	£	1 June	Balance b/f	180 (1)	Jun 30	Balance c/d	480	3 June	Sales	90 (2)/120 (1)				29 June	Sales	210 (2)/280 (1)						<u>480</u>			<u>480</u>	1 July	Balance b/d	480 (1 of for both cr and dr being the same)				(6)
Date	Details	£	Date	Details	£																																	
1 June	Balance b/f	180 (1)	Jun 30	Balance c/d	480																																	
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29 June	Sales	210 (2)/280 (1)																																				
		<u>480</u>			<u>480</u>																																	
1 July	Balance b/d	480 (1 of for both cr and dr being the same)																																				

Question	Answer (AO2) 7	Mark																								
6(b)(ii)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Bright Sparks Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>1 June</td> <td>Balance b/f</td> <td>120 (1)</td> <td>7 June</td> <td>Returns inwards</td> <td>39 (2)/ 52 (1)</td> </tr> <tr> <td>18 June</td> <td>Sales</td> <td>210 (2)/ 280 (1)</td> <td>28 June</td> <td>Bank</td> <td>291 (2/1 of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>330</u></td> <td></td> <td></td> <td style="text-align: center;"><u>330</u></td> </tr> </tbody> </table>	Date	Details	£	Date	Details	£	1 June	Balance b/f	120 (1)	7 June	Returns inwards	39 (2)/ 52 (1)	18 June	Sales	210 (2)/ 280 (1)	28 June	Bank	291 (2/1 of)			<u>330</u>			<u>330</u>	(7)
Date	Details	£	Date	Details	£																					
1 June	Balance b/f	120 (1)	7 June	Returns inwards	39 (2)/ 52 (1)																					
18 June	Sales	210 (2)/ 280 (1)	28 June	Bank	291 (2/1 of)																					
		<u>330</u>			<u>330</u>																					

Question	Answer (AO2) 4	Mark																														
6(b)(iii)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">E Watts Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>1 Jun</td> <td>Balance b/f</td> <td>150 (1)</td> <td>11 Jun</td> <td>Bank</td> <td>150 (1)</td> </tr> <tr> <td>30 Jun</td> <td>Bank</td> <td>150 (1)</td> <td>30 Jun</td> <td>Balance c/d</td> <td>150</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>300</u></td> <td></td> <td></td> <td style="text-align: center;"><u>300</u></td> </tr> <tr> <td>1 Jul</td> <td>Balance b/d</td> <td>150 (1 of for both cr and dr being the same)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	£	Date	Details	£	1 Jun	Balance b/f	150 (1)	11 Jun	Bank	150 (1)	30 Jun	Bank	150 (1)	30 Jun	Balance c/d	150			<u>300</u>			<u>300</u>	1 Jul	Balance b/d	150 (1 of for both cr and dr being the same)				(4)
Date	Details	£	Date	Details	£																											
1 Jun	Balance b/f	150 (1)	11 Jun	Bank	150 (1)																											
30 Jun	Bank	150 (1)	30 Jun	Balance c/d	150																											
		<u>300</u>			<u>300</u>																											
1 Jul	Balance b/d	150 (1 of for both cr and dr being the same)																														

Question	Answer (AO3) 2	Mark
6(c)	<p>Award 1 mark for correct identification and 1 mark (AO3) for linked explanation, e.g.</p> <p>The business will be able to receive its monies promptly (1) which will reduce the occurrences of bad debts (1).</p> <p>It will have an improved cash flow (1) which will enable it to pay creditors on time (1).</p> <p>Accept any other valid response.</p>	(2)

(Total for question 6 = 25 marks)

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Question	Answer (AO2) 25	Mark
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7

Award marks for all correct elements in combination.

Petty Cash Book

Receipts £	Date	Details	Voucher Number	Payments £	Postages £	Stationery £	Travel £	Ledger Accounts £
26.50 (1)	Mar 1	Bal b/f						
273.50 (2)/1 of	Mar 1	Bank						
	Mar 2	Envelopes and paper	320	12.50 (1)		12.50 (1)		
	Mar 3	Travel	321	11.00 (1)			11.00 (1)	
	Mar 3	T Burton	322	27.80 (1)				27.80 (1)
	Mar 4	Stamps	323	6.50 (1)	6.50 (1)			
	Mar 5	R Richards	324	15.00 (1)				15.00 (1)
	Mar 6	Parcel Post	325	6.90 (1)	6.90 (1)			
	Mar 7	Travel	326	8.50 (1)			8.50 (1)	
				88.20 (1)	13.40 (1)	12.50 (1)	19.50 (1)	42.80 (1)
	Mar 7	Bal c/d		211.80 (2 cao / 1 of for both cr and dr being the same)				
<u>300</u>				<u>300</u> (1 of for both cr and dr being the same)				
211.80	Mar 8	Bal b/d						

(25)

(Total for Question 7 = 25 marks)

Question	Answer (AO2) 11	Mark																																																												
<p>8(a)</p> <p>Award marks for correct date, details and amounts in combination.</p> <p>For dates column, April 30 required only once in each instance.</p> <p style="text-align: center;">Trade Receivables Control Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>April 1</td> <td>Balance b/f</td> <td style="text-align: right;">21 000 (1)</td> <td>April 1</td> <td>Balance b/f</td> <td style="text-align: right;">298 (1)</td> </tr> <tr> <td>April 30</td> <td>Credit sales</td> <td style="text-align: right;">32 890 (1)</td> <td>April 30</td> <td>Returns</td> <td style="text-align: right;">1 632 (1)</td> </tr> <tr> <td>April 30</td> <td>Bank</td> <td style="text-align: right;">250 (1)</td> <td>April 30</td> <td>Bad Debts</td> <td style="text-align: right;">240 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>April 30</td> <td>Bank</td> <td style="text-align: right;">27 222 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>April 30</td> <td>Discounts allowed</td> <td style="text-align: right;">1 288 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>April 30</td> <td>Trade Payable Control</td> <td style="text-align: right;">180 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>April 30</td> <td>Balance c/d</td> <td style="text-align: right;">23 280</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>54 140</u></td> <td></td> <td></td> <td style="text-align: right;"><u>54 140</u></td> </tr> <tr> <td>May 1</td> <td>Balance b/d</td> <td style="text-align: right;">23 280 (2 cao / 1 of for both cr and dr being the same)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Date	Details	£	Date	Details	£	April 1	Balance b/f	21 000 (1)	April 1	Balance b/f	298 (1)	April 30	Credit sales	32 890 (1)	April 30	Returns	1 632 (1)	April 30	Bank	250 (1)	April 30	Bad Debts	240 (1)				April 30	Bank	27 222 (1)				April 30	Discounts allowed	1 288 (1)				April 30	Trade Payable Control	180 (1)				April 30	Balance c/d	23 280			<u>54 140</u>			<u>54 140</u>	May 1	Balance b/d	23 280 (2 cao / 1 of for both cr and dr being the same)				<p>(11)</p>
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May 1	Balance b/d	23 280 (2 cao / 1 of for both cr and dr being the same)																																																												

Question	Answer (AO3) 4	Mark
8(b)	<p>Award 1 mark for identifying reason for error. Award 1 mark for giving value of error. Award up to 2 marks for linked explanation of reason for error.</p> <p>The balance in the control account does not match the total of the trade receivables ledger (1) 23 720 trade receivables ledger balance against 23 280 (1 of). The control account provides a summary of the transactions involving credit customers (1) so should always equal the total of the individual balances of the trade receivables ledger (1).</p>	(4)

(Total for Question 8 = 15 marks)

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Question	Answer (AO2) 15	Mark																																																																																																																																		
9	<p>*Award 1 mark for all correct headings.</p> <p>Award marks for all correct elements in combination.</p> <p style="text-align: center;">Mrs Kalit Statement of Financial Position at 30 September 2014</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">£</th> <th style="text-align: center;">£</th> <th style="text-align: center;">£</th> <th></th> </tr> <tr> <th style="text-align: left;">Non-current Assets*</th> <th style="text-align: center;">Cost</th> <th style="text-align: center;">Total Dep</th> <th style="text-align: center;">Carry over</th> <th></th> </tr> </thead> <tbody> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;">20 000</td> <td style="text-align: right;">6 000</td> <td style="text-align: right;">14 000</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: right;"><u>22 000</u></td> <td style="text-align: right;"><u>7 000</u></td> <td style="text-align: right;"><u>15 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;">42 000</td> <td style="text-align: right;">13 000</td> <td style="text-align: right;">29 000</td> <td></td> </tr> <tr> <td colspan="5">Current Assets*</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">21 399</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">32 121</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Petty cash</td> <td style="text-align: right;"><u>100</u></td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">53 620</td> <td></td> <td></td> </tr> <tr> <td colspan="5">Current Liabilities*</td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">21 167</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">2 194</td> <td></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">23 361</td> <td></td> <td></td> </tr> <tr> <td colspan="5">Working capital*</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">30 259</td> <td style="text-align: right;">(1 of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">59 259</td> <td></td> </tr> <tr> <td colspan="5">Non-current Liabilities*</td> </tr> <tr> <td>Bank loan</td> <td></td> <td></td> <td style="text-align: right;"><u>5 000</u></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">54 259</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td colspan="5">Financed by*</td> </tr> <tr> <td>Equity – Opening balance</td> <td></td> <td style="text-align: right;">46 273</td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;"><u>48 930</u></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">95 203</td> <td></td> <td></td> </tr> <tr> <td>Drawings</td> <td></td> <td style="text-align: right;"><u>40 944</u></td> <td></td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">54 259</td> <td style="text-align: right;">(1)</td> </tr> </tbody> </table>		£	£	£		Non-current Assets*	Cost	Total Dep	Carry over		Fixtures and fittings	20 000	6 000	14 000	(1)	Motor vehicles	<u>22 000</u>	<u>7 000</u>	<u>15 000</u>	(1)		42 000	13 000	29 000		Current Assets*					Inventory	21 399			(1)	Trade receivables	32 121			(1)	Petty cash	<u>100</u>			(1)			53 620			Current Liabilities*					Trade payables	21 167			(1)	Cash at bank	2 194			(1)			23 361			Working capital*								30 259	(1 of)				59 259		Non-current Liabilities*					Bank loan			<u>5 000</u>	(1)				54 259	(1)	Financed by*					Equity – Opening balance		46 273		(1)	Profit for the year		<u>48 930</u>		(1)			95 203			Drawings		<u>40 944</u>		(1)				54 259	(1)	(15)
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(Total for Question 9 = 15 marks)

Question	Answer (AO3) 2	Mark
10(a)(i)	<p>Award 1 mark for correct description (up to a maximum of 2 marks).</p> <p>Direct debit is where an arrangement is made for a third party to transfer money from a payee's bank account (1). The amount can be fixed or variable (1).</p>	(2)

Question	Answer (AO3) 2	Mark
10(a)(ii)	<p>Award 1 mark for correct description (up to a maximum of 2 marks).</p> <p>Standing order is where a fixed amount of money is paid on the instructions of the customer (1). The amount can be fixed (1).</p>	(2)

Question	Answer (AO2) 6	Mark																																										
10(b)(i)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Cash Book (Bank Column only)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>30 June</td> <td>Balance b/f</td> <td style="text-align: right;">3 290 (1)</td> <td>23 June</td> <td>Rent</td> <td style="text-align: right;">600 (1)</td> </tr> <tr> <td>12 June</td> <td>Ms Hussein</td> <td style="text-align: right;">390 (1)</td> <td>28 June</td> <td>Electricity</td> <td style="text-align: right;">150 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>30 June</td> <td>Bank charges</td> <td style="text-align: right;">36 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>30 June</td> <td>Balance c/d</td> <td style="text-align: right;">2 894</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>3 680</u></td> <td></td> <td></td> <td style="text-align: right;"><u>3 680</u></td> </tr> <tr> <td>1 July</td> <td>Balance b/d</td> <td style="text-align: right;">2 894 (1 of for both cr and dr being the same)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	£	Date	Details	£	30 June	Balance b/f	3 290 (1)	23 June	Rent	600 (1)	12 June	Ms Hussein	390 (1)	28 June	Electricity	150 (1)				30 June	Bank charges	36 (1)				30 June	Balance c/d	2 894			<u>3 680</u>			<u>3 680</u>	1 July	Balance b/d	2 894 (1 of for both cr and dr being the same)				(6)
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10(b)(ii)	<p>Award 1 mark for each figure where the figure has been placed in the right direction.</p> <p>Award 1 mark for correct labels.</p> <p>Bank Reconciliation Statement at 30 June 2014</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Balance as per cash book</td> <td style="text-align: right;">2 894 (1)</td> </tr> <tr> <td>Unpresented cheques</td> <td style="text-align: right;"><u>2 100</u> (1)</td> </tr> <tr> <td></td> <td style="text-align: right;">4 994</td> </tr> <tr> <td>Outstanding lodgements</td> <td style="text-align: right;"><u>2 188</u> (1)</td> </tr> <tr> <td>Balance as per bank statement</td> <td style="text-align: right;"><u>2 806</u> (1)</td> </tr> </table>	Balance as per cash book	2 894 (1)	Unpresented cheques	<u>2 100</u> (1)		4 994	Outstanding lodgements	<u>2 188</u> (1)	Balance as per bank statement	<u>2 806</u> (1)	(5)
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(Total for Question 10 = 15 marks)

(Total for Section B = 95 marks)