# Award in Computerised Book-keeping Skills

**ASE20054**

**Level 2**

**Time allowed: 2 hours 30 minutes**

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**Instructions**

- You should read through the assignment carefully before you begin.

- You **must** attempt all tasks in the order given.

- You are **not** allowed to bring any memory sticks or paper into the examination room.

- You are required to save all answer files in a folder created on your desktop or in your designated section of the network drive.  The folder should be labelled with your name and candidate number.

- You are required to save all answer files in PDF format.

- 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.

- The assignment and any used or unused paper must be returned to the invigilator at the end of the examination.

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**The Case Study**

You work in the accounts department of **BusiClean**, a firm that sells cleaning products.

**BusiClean**
**1 High Road**
**Glasgow**
**G2 4AK**

The firm uses the standard 12-month financial year ending 31 December. This case study deals with the setting up of accounts at 31 May 2010 and transactions for the month of June 2010.

The business charges tax on all sales and pays tax on all purchases. Where applicable the standard tax rate is 15%. You need to set up this tax rate as well as three other categories, zero rate, exempt and outside the scope.

**You are required to:**

**1**    **Set up the company data file selecting a default Chart of Accounts**

**2**    **Set up the following suppliers' accounts** using a reference appropriate to the software package you are using but, if possible, using the first 4 letters, followed by 01; for example, Glasgow City Council account code would be GLAS01.

| Suppliers' Account Details | |
|---|---|
| Glasgow City Council<br>Corporation Street<br>Glasgow<br>G4 2RP | Pestokil Ltd<br>11 Commercial Road<br>Glasgow |
| Connectafone Plc<br>180 Argyle Street<br>Glasgow | |

**3**    **Set up the following customers' accounts** using a reference appropriate to the software package you are using but, if possible, using the first 3 letters, followed by 001; for example, Taskers Ltd's account number would be TAS001.

| Customers' Account Details | |
|---|---|
| Taskers Ltd<br>178 Derby Boulevard<br>Glasgow | Pestokil Ltd<br>11 Commercial Road<br>Glasgow |

**4**   To complete this paper, you will require the following Nominal Accounts – some may already be set up but others may not. **Check and set up new accounts as required**, using a coding system appropriate to the software package you are using.

| Account Name | Category |
| --- | --- |
| Office Equipment<br>Furniture & Fixtures<br>Motor Vehicles | Fixed Asset |
| Stock<br>Debtors Control Account (Receivables)<br>Bank Current Account<br>Petty Cash | Current Asset |
| Creditors Control Account (Payables)<br>Sales Tax Control Account<br>Purchase Tax Control Account<br>Employee Tax and National Insurance Liability | Current Liability |
| Capital | Capital |
| Sales – Cleaning Products | Income |
| Purchases – Cleaning Products | Purchases |
| Staff Salaries<br>Employer's National Insurance<br>Rent<br>Rates<br>Postage<br>Telephone<br>Office Stationery<br>Premises Expenses<br>Bank Charges<br>Bad Debt Write Off<br>Refreshments<br>Insurances | Overheads |

**5**    **Enter the following account balances as at 31 May 2010**

| Description | £ DR | £ CR | Budget |
|---|---|---|---|
| Office Equipment | 6,000 | | |
| Furniture & Fixtures | 4,000 | | |
| Motor Vehicles | 9,000 | | |
| Bank | 22,500 | | |
| Petty Cash | 800 | | |
| Employee Tax & National Insurance owed | | 720 | |
| Capital | | 16,280 | |
| Sales – Cleaning Products | | 41,000 | 100,000 split evenly over the year |
| Purchases – Cleaning Products | 15,000 | | 30,000 split evenly over the year |
| Stock | 700 | | |
| | 58,000 | 58,000 | |

**6**    **Set up Budget figures for Sales and Purchases**, as shown above.

**7**    Insurance is to be paid monthly by Standing Order (recurring payment) from the Bank Current Account.  **Set up the following details and process the first payment in June**.

| Details | Ref | Frequency | Date | £ | Tax |
|---|---|---|---|---|---|
| Insurance | SO-1 | Monthly | 17th | 75.00 | Exempt |

## Transactions for the month of June 2010

**8**    **Enter the following supplier invoices:**

| Supplier | Inv Date | Inv Ref | Description | Net £ | Tax £ | Gross £ |
|---|---|---|---|---|---|---|
| Connectafone Plc | 01 June 10 | 34521 | Telephone bill | 1,180.00 | 177.00 | 1,357.00 |
| Glasgow City Council | 01 June 10 | 100045 | Rent | 1,200.00 | Outside the scope | 1,200.00 |
| Pestokil Ltd | 14 June 10 | B776 | Rent of floor mats – June (Premises Expenses) | 175.00 | 26.25 | 201.25 |

**9**    **Enter the following customer invoices:**

| Customer | Date | Invoice No. | Cleaning Products | Invoice Amount |
|---|---|---|---|---|
| Taskers Ltd | 08 June 10 | 673 | Mops, dusters | £229 + tax |
| Pestokil Ltd | 08 June 10 | 674 | Magic detergent | £165 + tax |

**10**    A customer, Taskers Ltd, has advised you that some of the mops on Invoice 673 were damaged. **Enter a sales credit note as detailed below.**

| Customer | Date | Credit Note No. | Credit | Credit amount |
|---|---|---|---|---|
| Taskers Ltd | 12 June 10 | 103 | Damaged mops | £8 + tax |

**11**    **Process the following Petty Cash transactions:**

| Petty Cash Voucher No. | Date | Details | Amount | Tax |
|---|---|---|---|---|
| PCV 24 | 16 June 10 | Postage stamps | 54.00 | Exempt |
| PCV 25 | 18 June 10 | Stationery | 34.50 | Including tax |
| PCV 26 | 18 June 10 | Coffee and sugar | 9.50 | Zero rated |

**12**    18 June 2010
**Process the payment of May tax and national insurances (£720) to the national tax collection authority, HM Revenue and Customs –** paid by internet banking.

**13** Process monies received into the bank from a credit customer:

| Customer | Date | Details | Amount | Reference |
|---|---|---|---|---|
| Taskers Ltd | 24 June 10 | Have paid more than they owed; therefore enter this as a payment on account | 272.55 | 296430 |

**14** Cleaning materials were sold to a visitor to the BusiClean offices – he paid cash. **Process this receipt, paying the money into Petty Cash**.

| Sale | Date | Reference | Amount |
|---|---|---|---|
| Cleaning materials | 24 June 10 | PCR 1 | 74.75 including tax |

**15** Process the following payments made to credit suppliers:

| Supplier | Date | Details | Cheque |
|---|---|---|---|
| Glasgow City Council | 26 June 10 | Balance on account as at 20 June 2010 | 100075 |
| Pestokil | 27 June 10 | Paid £11.50<br>This is the difference between their invoice B776 and our invoice 674. **Enter the payment and process the contra entry** | 100076 |
| Connectafone | 27 June 10 | £1,357.00<br>On Connectafone's bill dated 1 June (see Task 8), it stated that the invoice value would be collected by direct debit (recurring payment) on 27 June 2010. **Process this direct debit** | Direct debit |

**16** Process the following Salary summary:
Net Salaries will be paid on 28 June 2010.
The tax and national insurances will be paid to HM Revenue & Customs during July and should, therefore, be posted as a liability.

| Description | Amount |
|---|---|
| Net salaries, paid by direct bank transfer | 1,389.66 |
| Tax deductions | 404.36 |
| Employees' national insurance deduction | 290.20 |
| Employer's national insurance payment | 337.68 |

**17** 30 June 2010
The owner transfers his own computer to the company. Its value is £1,200 (no tax applicable).
**Process the journal required to reflect this transaction.**

**18**     30 June 2010

The invoice 100045 from Glasgow City Council (see task 8) should have been for Rates, not Rent. **Correct this error.**


**19**     Below is the bank statement for the month ending 30 June 2010 from our bank, Finkle's Bank, Glasgow:

| Date | Reference | Details | Debit | Credit | Balance |
|------|-----------|---------|-------|--------|---------|
| 1-Jun-10 | | Balance b/fwd | | | 22,500.00 |
| 17-Jun-10 | SO-1 | Standing Order | 75.00 | | 22,425.00 |
| 18-Jun-10 | Cr.Trf. | HM Revenue & Customs | 720.00 | | 21,705.00 |
| 24-Jun-10 | | Counter Credit | | 272.55 | 21,977.55 |
| 27-Jun-10 | DDR | Connectafone | 1,357.00 | | 20,620.55 |
| 28-Jun-10 | Cr.Trf. | Salaries | 1,389.66 | | 19,230.89 |
| 28-Jun-10 | | Returned cheque - Taskers Ltd | 272.55 | | 18,958.34 |
| 28-Jun-10 | | Returned cheque fee | 20.00 | | 18,938.34 |
| 30-Jun-10 | 100075 | Cheque | 1,200.00 | | 17,738.34 |

**Carry out a bank reconciliation for the month of June 2010.  Whilst doing so, you realise that the cheque for £272.55 from Taskers Ltd was returned; process this transaction and any others arising.**


**20     Generate and save the following reports in PDF format:**

| A | Bank Statement (or Reconciled Transactions) for the period 1-30 June |
|---|---|
| B | Audit Trail of all transactions to include at least date, reference, nominal codes, narrative, net amount and tax amount |
| C | Trial Balance at 30 June 2010 |
| D | Nominal Ledger Report showing all transactions, reference numbers and account balances to 30 June 2010 for all accounts. |
| E | Customer Ledger Report to 30 June 2010 to include customer name, all transactions and the account balance |
| F | Customer names and addresses |
| G | Aged Debtors Analysis (Account Receivables) |
| H | Supplier Ledger Report to 30 June 2010 to include supplier name, all transactions and the account balance |
| I | Supplier names and addresses |
| J | Budget Report, comparing actual to budget for June 2010 |