

Award in Computerised Book-keeping Skills

ASE20054

Level 2

Time allowed: 2 hours 30 minutes

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 **Southern Garage Services**, a firm that sells motor vehicle parts to other garages.

Southern Garage Services
1 City Road,
London,
E24 2NB

The firm uses the standard 12-month financial year ending 31 December. This case study deals with the setting up of accounts at 31 January 2011 and transactions for the month of February 2011.

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** with a reference appropriate to the software package you are using. Where possible, use the first 4 letters, followed by 01; for example, Pestokil Ltd's account code would be PEST01.

Suppliers' Account Details	
McClellan Properties Limited 49 Greek Street London WC3 4XP Contact: Paul Merchant	Pestokil Ltd 11 Commercial Road London
Connectafone Plc 180 Argyle Street Newbury	

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

Customers' Account Details	
Taskers Garage Ltd 178 Derby Boulevard London	Starlight Motor Services 44 Edwards Street London

- 4 You will require the following Nominal Accounts – some may already be set up. **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 Garage Equipment Motor Vehicles	Fixed Asset
Stock Debtors Control Account (Receivables) Bank Current Account Petty Cash	Current Asset
Creditors Control Account (Payables) Sales Tax Control Account Purchase Tax Control Account Employee Tax & National Insurance Liability Loans	Current Liability
Capital Drawings	Capital
Sales – Motor Parts	Income
Purchases – Motor Parts Miscellaneous Purchases	Purchases
Staff Salaries Employer's National Insurance Rent Postage Telephone Office Stationery Premises Expenses Bad Debt Write Off Insurances Refreshments	Overheads

5 Enter the following account balances as at 31 January 2011.

Description	£ DR	£ CR
Office Equipment	6,000	
Garage Equipment	24,000	
Motor Vehicles	19,000	
Stock	415	
Bank	2,690	
Petty Cash	800	
Employee Tax & National Insurance Liability		920
Capital		18,185
Drawings	1,000	
Bank Loan		30,000
Sales-Motor Parts		7,200
Purchases-Motor Parts	2,400	
	56,305	56,305

- 6 There are two standing orders (recurring payments) paid from the Bank Current Account: Insurance and Bank Loan Repayment. **Set up and process the first payments in February.** At this stage, you do not have any details of the terms of the bank loan repayments and should, therefore, post the repayment to the Bank Loan account you used for the balance in the opening Trial Balance.

Details	Ref	Frequency	Date	£	Tax
Insurance	SO-1	Monthly	17th	75.00	Exempt
Bank Loan Repayment	SO-2	Monthly	20th	675.00	Outside the scope

Transactions for the month of February 2011

7 Enter the following supplier invoices:

Supplier	Inv Date	Inv Ref	Description	Net £	Tax £	Gross £
Connectafone Plc	01 February 11	6321	Telephone bill	1,180.00	177.00	1,357.00
McClean Properties Limited	01 February 11	100045	Rent	1,200.00	180.00	1,380.00
Pestokil Ltd	14 February 11	B776	Rent of floor mats – February (Premises Expenses)	175.00	26.25	201.25

8 Enter the following customer invoices:

Customer	Date	Invoice No.	Motor Parts	Invoice Amount
Taskers Garage Ltd	08 February 11	673	Spark plugs, oil	£270 + tax
Starlight Motor Services	08 February 11	674	Oil	£119 + tax

9 **12 February:** Your customer, Taskers Garage Ltd, has advised you that some of the spark plugs, delivered on 8 February, are no longer required. Enter the following credit note:

Customer	Date	Credit Note No.	Credit	Credit Amount
Taskers Garage Ltd	12 February 11	113	Spark plugs – no longer required	£28.20 + tax

10 Process the following Petty Cash Transactions:

Petty Cash Voucher No.	Date	Details	Amount	Tax
33	16 February 11	Envelopes	14.49	Including tax
34	18 February 11	Postage stamps	40.00	Exempt
35	18 February 11	Coffee and sugar	9.50	Zero rated

11 18 February 2011: **Process the payment of January tax and national insurances (£920) to the national tax collection authority, HM Revenue and Customs** – paid by Internet banking.

12 **Process monies received into the Bank from a credit customer:**

Customer	Date	Details	Amount	Reference
Taskers Garage Ltd	24 February 11	This month's invoice less the credit note	£278.07	345997

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

Supplier	Date	Details	Cheque
McClean Properties Ltd	26 February 11	Balance on account as at 20 February 2011	100075
Connectafone	27 February 11	£1,357.00 taken by Connectafone by direct debit (recurring payment)	Direct Debit

14 **Process the following Salary summary:**

Net Salaries will be paid on 27 February 2011.

The tax and national insurances will be paid during March 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	290.20
Employer's national insurance	337.68

15 On the 28 February 2011 the owner introduces £5,000 additional cash into the business Bank Account. **Enter this transaction.**

16 The envelopes on Petty Cash Voucher 33 were special packaging for spark plugs; they should be posted to a Nominal Account for Miscellaneous Purchases. **Correct this error dating your entries 28 February 2011.**

17 On 28 February 2011 you are informed that Starlight Motor Services has gone into liquidation and you are unlikely to receive payment of the outstanding debt. **Write off this debt.**

- 18 Below is the bank statement for the month up to 25 February 2011 from Merryfell Bank, London.
Carry out a bank reconciliation to 25 February 2011.

Date	Reference	Details	Debit	Credit	Balance
1-Feb-11		Balance b/fwd			2,690.00
17-Feb-11	SO	Sure Insurance	75.00		2,615.00
18-Feb-11		Online payment-HMRC	920.00		1,695.00
20-Feb-11	Trf	Merryfell-Repayment	675.00		1,020.00
24-Feb-11		Counter Credit		278.07	1,298.07

- 19 **Generate and save the following reports in PDF format:**

A	Bank Reconciled Transactions for the period 1-25 February
B	Audit Trail of all transactions to include at least date, reference, nominal codes, narrative, net amount and tax amount
C	Trial Balance at 28 February 2011
D	Nominal Ledger Report showing all transactions, reference numbers and account balances to 28 February 2011 for all accounts.
E	Customer Ledger Report to 28 February 2011 to include customer name, all transactions and the account balance
F	Customer names and addresses
G	Supplier Ledger Report to 28 February 2011 to include supplier name, all transactions and the account balance
H	Supplier names and addresses
I	Aged Creditors Analysis (Account Payables)