

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 carry out the accounting for **Evergreen Gardens**, a firm that provides gardening services to home owners and other businesses.

Evergreen Gardens
London Road,
Southampton,
SO24 2DG

The firm uses the standard 12-month financial year ending 31 December. This case study deals with the setting up of accounts at 31 March 2011 and transactions for the month of April 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, Officeclean Ltd's account code would be OFFI01.

Suppliers' Account Details	
Officeclean Ltd 24 High Road Portsmouth	Multifone plc 18 The Drive 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, Angel Hotel's account code would be ANG001.

Customers' Account Details	
Angel Hotel 14 Marine Parade Southampton	A1 Advertising 24 The Avenue Southampton

- 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 Garden 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	Current Liability
Capital Drawings	Capital
Sales – Gardening Services	Income
Purchases – Garden Products	Purchases
Gross Wages Employer's National Insurance Rent Fuel (for the vehicle) Postage Mobile Phone Charges Office Stationery Premises Expenses Bad Debt Write Off Insurances Refreshments	Overheads

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

Description	£ DR	£ CR
Office Equipment	2,000	
Garden Equipment	4,000	
Motor Vehicles	9,000	
Stock	150	
Bank	2,785	
Petty Cash	250	
Employee Tax & National Insurance Liability		505
Capital		10,000
Drawings	3,000	
Sales-Gardening Services		22,500
Purchases-Garden Products	1,250	
Rent	750	
Insurances	150	
Gross Wages	7,500	
Employer's National Insurance	350	
Fuel (for the vehicle)	720	
Mobile Phone Charges	950	
Premises Expenses	150	
	33,005	33,005

6 There are two standing orders (recurring payments) paid from the Bank Current Account, Rent and Insurance. **Set up the following details and process the first payments in April.**

Details	Ref	Frequency	Date	£	Tax £
Rent	SO-1	Monthly	1 st	287.50	Including tax @ 15%
Insurance	SO-2	Monthly	5 th	50.00	Exempt

Transactions for the month of April 2011

7 Enter the following supplier invoices:

Supplier	Inv Date	Inv Ref	Description	Net £	Tax £	Gross £
Multifone plc	01 April 11	1234	Mobile phone charges March	324.00	48.60	372.60
Officclean Ltd	01 April 11	11/124	Hand soap and paper towels (Premises Expenses)	82.00	12.30	94.30
Officclean Ltd	14 April 11	11/135	Floor polish (Premises Expenses)	26.90	4.03	30.93

8 Evergreen Gardens provides regular garden services on contract – the invoices have been produced and you should **enter the following customer invoices and credit note details into the bookkeeping system.**

Invoices:

Customer	Date	Invoice No.	Service	Invoice Amount
Angel Hotel	09 April 11	251	Maintenance of grounds and gardens	£475.00 + £71.25 tax
A1 Advertising	11 April 11	252	Planting and tidying flower beds	£440.00 + £66.00 tax

Credit note:

Customer	Date	Credit Note No.	Credit	Credit Amount
A1 Advertising	15 April 11	76	Overcharge on Invoice 252	£100 + £15.00 tax

9 Process the following Petty Cash transactions:

Petty Cash Voucher No.	Date	Details	Amount	Tax
100	16 April 11	Files for the office	26.91	Including tax
101	18 April 11	Postage stamps	46.00	Exempt
102	18 April 11	Tea and biscuits for the office	8.80	Zero rated

10 18 April 2011: Process the payment of March tax and national insurances to the national collector of taxes, HM Revenue and Customs (£505) – paid by internet banking.

11 Process monies received into the bank from credit customers:

Customer	Date	Details	Amount	Reference
Angel Hotel	20 April 11	Part payment of this month's invoice	£300.00	000156
A1 Advertising	24 April 11	Invoice 252 less Credit Note 76	£391.00	391286

12 Process the following payments to credit suppliers:

Supplier	Date	Details	Cheque
Multifone plc	27 April 11	£372.60 taken by direct debit	Direct debit
Officceclean Ltd	27 April 11	Invoice 11/124	100075

13 Process the following Wages summary:

Net Wages will be paid on 27 April 2011.

The employee tax deductions and national insurances will be paid during May and should, therefore, be posted as a liability.

Description	Amount
Net Wages, paid by direct bank transfer	2,098.00
Income tax deducted from employee salaries	300.00
Employees' national insurance	102.00
Employer's national insurance	117.30

14 On 28 April 2011 two new fixed assets are introduced into the business: **Process these transactions.**

- The owner introduces his own van, valued at £10,000.
- The business also purchases a new computer using cheque number 100076. It cost £1,495.00 including tax.

15 On 28 April 2011 you are informed that the cheque for £300 received from the Angel Hotel has been returned unpaid. **Process this dishonoured cheque.**

16 On 28 April 2011 the owner advises you that some of the stamps (value £23) bought on 18th April (Petty Cash Voucher 101) were for his own use. **Make this adjustment.**

17 On 30 April 2011 you are advised that the Angel Hotel has closed and gone into liquidation and you are unlikely to receive payment of the outstanding debt. **Write off this debt.**

- 18 Total cash sales for gardening jobs done; **enter these onto the computerised system as a single bank receipt at the end of the month.**

Date	Details	Amount
30 April 2011	Cash Sales - gardening	£3,220.00 including tax

- 19 On 30 April 2011 the owner uses cheque number 100077 to draw £81.71 in cash to make the Petty Cash up to £250. **Process this transaction.**

- 20 Below is the bank statement for the month up to 25 April 2011 from your Bank, Southern Bank, Southampton. **Carry out a bank reconciliation to 25 April 2011.**

Date	Reference	Details	Debit	Credit	Balance
01-Apr-11		Balance b/fwd			2,785.00
01-Apr-11	SO	Premier Properties	287.50		2,497.50
05-Apr-11	SO	Sure Insurance	50.00		2,447.50
18-Apr-11	Trf	Online payment-HMRC	505.00		1,942.50
20-Apr-11		Counter Credit		300.00	2,242.50
24-Apr-11		Counter Credit		391.00	2,633.50

- 21 **Set up the following Budget figures for Sales and Purchases:**

Nominal account	Annual budget	Allocation
Sales-Gardening Services	£66,000	£7,000 per month April-September inclusive £4,000 per month for the remaining months
Purchases-Garden Products	£4,800	Evenly split over 12 months

22 Generate and save the following reports in PDF format:

A	Bank Reconciled Transactions for the period 1-25 April
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 April 2011
D	Nominal Ledger Report showing all transactions, reference numbers and account balances to 30 April 2011 for all accounts.
E	Customer Ledger Report to 30 April 2011 to include customer name, all transactions and the account balance
F	Customer Names and Addresses
G	Supplier Ledger Report to 30 April 2011 to include supplier name, all transactions and the account balance
H	Supplier Names and Addresses
I	Aged Creditors Analysis (Account Payables) at 30 April 2011
J	Budget Report, comparing April Actual to Budget