

Certificate in Bookkeeping (VRQ) Level 1

Monday 5 September 2016

Time: 2 hours

Paper Reference

ASE20091

Complete the details below in block capitals.

Candidate name

Centre Code

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Candidate Number

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Candidate ID Number

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You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen
– *pencil can only be used for graphs, charts, diagrams, etc.*
- **Fill in the boxes** at the top of this page with your name, candidate number, centre code and your candidate ID number.
- Answer **all** questions.
- Answer the questions in the spaces 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.
- Check your answers if you have time at the end.
- You are advised to show your workings.

Turn over ►



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

- 1 Juliet Logo buys her goods on credit from three suppliers.

Supplier	Balance at 1 April 2016	Terms of trade
Beans and Pod	\$480	10% trade discount if the order is over \$100
Cafe Co	\$160	5% early payment discount if the invoice is paid within 10 days.
W Baker	\$48 Dr	No discounts offered.

During the month of April 2016 she made the following transactions:

April 2016	Transaction
2	Purchased goods from W Baker, list price \$210
6	Purchased goods from Cafe Co, list price \$520
9	Purchased goods from Beans and Pod, list price \$350
12	Paid Cafe Co the amount owed on 1 April 2016, by cheque
13	Returned goods with a list price of \$70 to W Baker
14	Paid Cafe Co for goods purchased on 6 April 2016, by cheque
24	Purchased goods from Beans and Pod, list price \$80

- (a) (i) Complete the table to show which book of original entry each transaction is recorded in.

(3)

April 2016	Book of original entry
2	
12	
13	



(ii) Complete the table to show in which ledger each account will be maintained.

(2)

Account	Ledger
W Baker	
Purchases	

(b) Prepare the following ledger accounts for the month of April 2016. Balance the accounts on 30 April 2016 and bring the balances down on 1 May 2016.

(i)

Beans and Pod Account

(5)

(ii)

Cafe Co Account

(5)



(iii)

W Baker Account

(4)

- (c) Explain how Juliet could check that no errors were made when posting from the books of original entry into the trade payables ledger.

(2)

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(Total for Question 1 = 21 marks)



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- 2 Monica Matthews maintains a petty cash book. The imprest amount is \$200.
The balance available on 23 April 2016 was \$146.40

The following petty cash transactions took place in the last week of April 2016.

April 2016	Voucher number	Transaction
25	121	Bought postage stamps \$9.60
25	122	Bought goods for resale \$6.40
26	123	Purchased envelopes \$4.80
27	124	Paid K Miller, a trade payable, \$25.00
28	125	Paid window cleaner \$10.00
29	126	Paid to Stittle for goods for resale \$15.70
29	127	Bought cleaning supplies \$15.00

- (a) Prepare the petty cash book for the week ended 30 April 2016. Balance the petty cash book on 30 April 2016 and bring the balance down on 1 May 2016.

(16)



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[illegible]

(b) Complete the cheque to restore the petty cash imprest on 1 May 2016.

(2)

South Bank High Street, Sheffield S1 4LP		10-00-03 Date
Pay		<div style="border: 1px solid black; padding: 5px; display: inline-block;">\$</div>
.....		
.....		
		M Matthews
Cheque Number	Sort Code	Account Number
0001451	10-00-03	12345678

Monica is concerned that some of her petty cash may be missing.

(c) (i) Explain how Monica can check that the balance of petty cash is correct.

(2)

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(ii) Explain **two** actions that Monica could implement to maintain the security of the petty cash.

(2)

1

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2

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(Total for Question 2 = 22 marks)



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3 Mr Raza has provided a list of balances at 31 March 2016.

	\$
Bank loan	29 050
Carriage outwards	1 290
Cash at bank	7 410
Depreciation	4 627
Drawings	50 942
Equity 1 April 2015	31 081
Fixtures and fittings – cost	31 650
Fixtures and fittings – accumulated depreciation	18 220
General expenses	27 340
Interest paid	1 606
Inventory 1 April 2015	18 240
Irrecoverable debts	980
Purchases	99 420
Rent	17 500
Revenue	205 650
Trade payables	28 549
Trade receivables	31 911
Wages	21 634

Additional information

- Inventory at 31 March 2016 was valued at \$21 716
- During the year, Mr Raza introduced a further \$2 000



(a) Prepare the income statement for the year ended 31 March 2016.

(13)

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- (b) Prepare an extract of the statement of financial position to show the equity section at 31 March 2016.

(5)

Mr Raza
Extract of statement of financial position at 31 March 2016

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(Total for Question 3 = 18 marks)



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4 John Lotus is a car mechanic. At 1 June 2015 non-current asset balances were:

	Cost \$	Accumulated depreciation \$
Garage tools	22 600	6 500
Computer equipment	6 550	2 010

Depreciation is provided on non-current assets at the following rates:

- Garage tools 20% on a reducing balance (diminishing balance) basis
- Computer equipment 25% on a straight line basis.

Depreciation is charged on the basis of a full year's depreciation irrespective of the date of purchase.

During the year ended 31 May 2016 John received the following invoice.

GIG Warehouse Forest Business Park Nottingham		Invoice Invoice number 1005467 Date 01 May 2016	
John Lotus 7 Clough Way Nottingham			
Quantity	Description	Unit cost \$	Total cost \$
1	C425 8GB Black computer	980.00	980.00
1	One-year warranty to 30 April 2017 on the computer	120.00	120.00
2	Ink cartridges	11.00	22.00
1	E540 Wireless printer	310.00	310.00
Total			1 432.00
Terms: Payment to be made in full on collection			



- (a) Complete the table below to indicate with a tick (✓) if the item is capital expenditure or revenue expenditure.

(4)

Item of expenditure	Capital expenditure	Revenue expenditure
C425 8GB Black computer		
One-year warranty on the computer		
Ink cartridges		
E540 Wireless printer		

There were no further additions or disposals in the year.

- (b) Calculate the depreciation for the year ended 31 May 2016 and the carrying value at 31 May 2016 for each category of non-current asset.

Show your answers in the table below.

(9)

	Depreciation charge for year ended 31 May 2016 \$	Carrying value at 31 May 2016 \$
Garage tools		
Computer equipment		



- (c) Select from the following options and indicate with a tick (✓) how the warranty will be shown in the financial statements for the year ended 31 May 2016. Indicate both amount and account.

(4)

	Amount \$	✓	Account	✓
Income statement	0		General expenses	
	10		Other payables	
	110		Other receivables	
	120		Purchases	

Statement of financial position	0		General expenses	
	10		Other payables	
	110		Other receivables	
	120		Purchases	

- (d) State the accounting concept being applied in each scenario.

(3)

	Accounting concept
A business uses the same method and rate for providing depreciation on all non-current assets.	
A builder records the purchase of a new screwdriver for \$10 as revenue expenditure not capital expenditure.	
A business writes off customer debts that are irrecoverable.	

(Total for Question 4 = 20 marks)



- 5 Chantelle has three employees, all are paid by cheque. She has provided details of their pay for the month ended 30 April 2016.

Employee	Gross pay	Deductions \$
Jo Jones	Annual salary \$15 000. Also receives a bonus of 5% on all sales made over \$20 000 per month. During April she made sales of \$24 800	300
Barry Smith	Paid \$8 per hour for a basic week of 40 hours and a piece rate of \$0.10 per item produced. During the week ended 30 April he worked 40 hours and produced 1250 units.	121
Charles Harris	Paid \$9 per hour for a basic week of 40 hours. Overtime is paid at \$12 per hour. For the week ended 30 April he worked 47 hours.	99

- (a) Calculate the net pay for each employee.

(8)

Employee	Gross pay \$	Deductions \$	Net pay \$	Cheque number
Jo Jones for month ended 30 April 2016				503
Barry Smith for week ended 30 April 2016				504
Charles Harris for week ended 30 April 2016				505



On 30 April 2016 Chantelle's bank statement showed a credit balance of \$5 019.

On investigation she found:

- A credit transfer of \$360 on 27 April 2016 from a customer had not been recorded in the cash book.
- Cash banked on 28 April 2016, \$1 515, has not yet cleared in the bank.
- Bank charges of \$86 on 30 April 2016 had not been recorded in the cash book.
- A direct debit of \$35 for car insurance on 30 April 2016 had not been entered in the cash book.
- Cheque number 502, for \$640, for goods purchased, and the cheques for employees' wages have not been entered in the cash book or presented to the bank.

- (b) (i) Update the cash book at 30 April 2016, bringing the balance down on 1 May 2016.

(5)

Cash book (Bank column only)

Date	Details	\$	Date	Details	\$
30 April	Balance b/d	6 295			



(ii) Prepare a bank reconciliation statement at 30 April 2016.

(6)

Chantelle
Bank reconciliation statement at 30 April 2016

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(Total for Question 5 = 19 marks)

TOTAL FOR PAPER = 100 MARKS



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