

Pearson LCCI

# Certificate in Bookkeeping and Accounting (VRQ) Level 2

Thursday 6 July 2017  
**Resource Booklet**

Paper Reference  
**ASE20093**

**Do not return this Resource Booklet with the question paper.**

## Instructions

- All workings and answers **must** be given in the question paper.
- Please note that any workings and answers written in the Resource Booklet will **not** be marked.

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**Resource for Question 1 – Parts (a), (b) and (c).**

On 31 May 2017 Zhang's draft accounts showed a profit for the year of \$81 650

An investigation revealed the following errors.

1. Discount received of \$78 had been entered twice in the discount received account.
2. A payment, \$176, for general expenses, had been correctly entered in the cash book, but was entered as \$167 in the general expenses account.
3. A payment, \$50, for repairs and renewals, had been entered in the cash book. The other entry had not been made.
4. On 1 December 2016 a payment of \$5 000 for plant and equipment had been entered in the general expenses account. Depreciation is charged for each month of ownership at 20% per annum on a straight line basis.

### Resource for Question 2 – Parts (a) and (b).

The Mount Rugby Club provided the following information.

	<b>1 May 2016</b> \$	<b>30 April 2017</b> \$
Subscriptions owing	770	600
Subscriptions in advance	480	585
Inventory	1 960	2 630
Trade payables	3 640	4 820

During the year ended 30 April 2017.

- \$11 935 was received from members. This included \$550 from those in arrears at 1 May 2016, the remaining balance of \$220 is to be written off.
- Payments made to suppliers by cheque \$29 375
- Cash purchases \$1 490
- Discount received \$225
- The shop made a 20% gross profit margin.

### Resource for Question 3 – Parts (a) and (b).

Precious is a manufacturer of furniture.

She apportions general expenses and power 50% each to the factory and administration department.

During the year Precious made the following payments by cheque for power.

Date paid	Amount \$	3 month period ending
1 July 2016	1 650	30 June 2016
1 October 2016	1 540	30 September 2016
1 January 2017	2 160	31 December 2016
1 May 2017	2 040	31 March 2017
1 July 2017	1 980	30 June 2017

### Additional information

The following balances were extracted from her books at 31 May 2017.

	\$
Direct labour	86 324
General expenses	21 936
Purchases of raw materials	368 140
Purchase returns	842
Royalties	21 212

Inventories	1 June 2016 \$	31 May 2017 \$
Finished goods	29 400	31 862
Raw materials	21 622	23 941
Work in progress	6 395	8 900

**Resource for Question 4 – Parts (b), (c), (d) and (e).**

Harry, Irina and Juris are in partnership sharing profits and losses in the ratio of 2:2:1

The following balances were extracted at 30 April 2017.

	\$
Cash at bank	8 360
Capital account	
Harry	60 000
Irina	30 000
Juris	60 000
Current account	
Harry	13 200
Irina	4 950
Juris	18 200
Inventory	63 620
Motor vehicle – carrying value	16 200
Plant and equipment – carrying value	111 500
Trade payables	28 320
Trade receivables	41 640

On 1 May 2017 Juris retired from the partnership.

- Plant and equipment was revalued to \$169 000
- Inventory was revalued to \$61 800
- Juris agreed to take over the motor vehicle at a value of \$12 500
- A credit customer's debt of \$840 was irrecoverable.
- It was agreed that the balance due to Juris on her retirement will be treated as a loan to the partnership.

**There is no resource for Question 5 in this booklet.**



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