

**Pearson LCCI**

# Certificate in Accounting (VRQ)

**Level 3**

Wednesday 5 July 2017

**Time: 3 hours**

Paper Reference

**ASE20104**

**Complete the details below in block capitals.**

Candidate name

Centre Code

--	--	--	--	--	--	--	--

Candidate Number

--	--	--	--	--	--	--	--	--	--

Candidate ID Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**You will need:**

Resource Booklet (enclosed)

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.
- You must show your workings.

## 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.

Turn over ►

**P58612A**

©2017 Pearson Education Ltd.

1/1



**Pearson**

**DO NOT WRITE IN THIS AREA**

**DO NOT WRITE IN THIS AREA**

- DO NOT WRITE IN THIS AREA**

**DO NOT WRITE IN THIS AREA**

**DO NOT WRITE IN THIS AREA**

**DO NOT WRITE IN THIS AREA**

DO NOT WRITE IN THIS AREA

[illegible]

(b) State **two** accounting concepts that are applied when preparing financial statements.

(2)

1 .....

2 .....

(c) State **two** qualitative characteristics of financial reporting under the International Accounting Standards Board Framework.

(2)

1 .....

2 .....

(Total for Question 1 = 22 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



You will need to use the data on **page 4** of the Resource Booklet to answer parts (a), (b) (i) and (c).

- 2** (a) Complete the adjustment columns of the extended trial balance at 30 April 2017.

(11)

Aung Extended trial balance extract at 30 April 2017				
	Trial balance		Adjustments	
	Debit \$	Credit \$	Debit \$	Credit \$
Bank	2 830			
Discount allowed	1 895			
Discount received		4 525		
Fixtures and fittings – accumulated depreciation		25 000		
Fixtures and fittings – cost	50 000			
Machinery – accumulated depreciation		18 050		
Machinery – cost	95 000			
Office expenses	45 850			
Opening equity		75 000		
Opening inventory	35 450			
Purchases	156 335			
Rent	9 750			
Revenue		291 460		
Suspense		250		
Wages and salaries	20 500			
Depreciation				
Drawings				
Other payables				
Other receivables				



P 5 8 6 1 2 A 0 5 1 6

(b) (i) Calculate the value of the closing inventory at 30 April 2017.

(2)

.....

.....

.....

(ii) Describe the effect on the gross profit if Xi uses the value you have calculated in (b) (i).

(2)

.....

.....

.....

(iii) State **two** inventory valuation methods a business can use to calculate the cost of its inventory.

(2)

1 .....

2 .....

(c) Calculate the amount of the adjustment required for the allowance for doubtful debts in the statement of profit or loss.

(2)

.....

.....

.....

(Total for Question 2 = 19 marks)



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



P 5 8 6 1 2 A 0 7 1 6

You will need to use the data on **pages 5 and 6** of the Resource Booklet to answer parts (a), (b) and (c).

**3** (a) (i) Calculate interest on capital for each partner for the year ended 31 March 2017.

(3)

.....

.....

.....

.....

.....

.....

(ii) Prepare the partners' current accounts for the year ended 31 March 2017.

(7)

**Space for workings**

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



Current account

Handwriting practice area with 20 horizontal dotted lines.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(b) Calculate the profit or loss on realisation for **each** partner.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(c) Calculate the amount due to Ally following the sale of the business.

(6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 3 = 21 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



You will need to use the data on **page 7** of the Resource Booklet to answer parts (b), (c), (d), (e) and (f).

**4** (a) State **two** differences between financial accounting and management accounting.

(2)

1 .....

.....

2 .....

.....

(b) Discuss whether absorption costing or marginal costing techniques should be used when making decisions.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(c) Calculate how many footballs Westsports Ltd needs to sell to make a profit of \$119740

(3)

.....

.....

.....

.....

.....



P 5 8 6 1 2 A 0 1 1 1 6

Westsports Ltd sold 85 000 footballs at \$14 each. A training club purchased the remaining 15 000 for \$9

(d) Calculate the profit for Westsports Ltd.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(e) Evaluate whether option 1 or option 2 should be used to improve the profitability next year. Justify your decision.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 4 = 20 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



You will need to use the data on **page 8** of the Resource Booklet to answer parts (b), (c) and (d).

- 5** (a) State **two** stakeholders who may be interested in a cash budget.

(2)

1 .....

2 .....

- (b) Prepare a monthly trade receivables budget for the three months ending 30 November 2017.

(4)

**Homcomp Ltd**  
**Trade receivables budget for the three months ending 30 November 2017**

.....

.....

.....

.....

.....

.....

.....

.....

- (c) Prepare a monthly trade payables budget for the three months ending 30 November 2017.

(4)

**Homcomp Ltd**  
**Trade payables budget for the three months ending 30 November 2017**

.....

.....

.....

.....

.....

.....

.....



- (d) Prepare a monthly inventory budget for the three months ending 30 November 2017.

(4)

**Homcomp Ltd**  
**Inventory budget for the three months ending 30 November 2017**

.....

.....

.....

.....

.....

.....

.....

.....

- (e) Explain **one** reason why a business shows different figures in the statement of profit or loss and cash budget.

(2)

.....

.....

.....

.....

- (f) Explain **one** reason why Homcomp Ltd should be concerned about its cash flow in the first three months of the business.

(2)

.....

.....

.....

.....

(Total for Question 5 = 18 marks)

**TOTAL FOR PAPER = 100 MARKS**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE



P 5 8 6 1 2 A 0 1 5 1 6

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

