Pearson LCCI Certificate in Financial Accounting (VRQ) Level 3 Thursday 16 November 2017 Time: 3 hours Paper Reference ASE20097 Complete the details below in block capitals. Candidate name Centre Code Candidate Number Candidate ID Number You must have: Resource Booklet (enclosed)

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.
- You are advised to show your workings.
- Check your answers if you have time at the end.

Turn over ▶



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Answer ALL questions. Write your answers in the spaces prov You will need to use the data on page 2 of the Resource Booklet to answer part 1 (a) State two purposes of a trial balance. 1 (b) Complete the adjustment columns of the extended trial balance at 30 September 2017. Space for workings	
1 (a) State two purposes of a trial balance. 1 (b) Complete the adjustment columns of the extended trial balance at 30 September 2017.	(b).
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Tamy – Extended trial balance at 30 Septe	mber 2017										
	Trial b	alance	Adjustments								
	Debit \$	Credit \$	Debit \$	Credit \$							
Allowance for doubtful debts		1 950									
Cash in hand	50										
Cash at bank		2 150									
Closing inventory - statement of financial position	11 375										
Closing inventory - statement of profit or loss		11 375									
Drawings	2 375										
Equity at 1 October 2016		50 000									
General expenses	5 960										
Insurance	2 825										
Non-current assets	73 865										
Opening inventory	8 900										
Purchases	81 220										
Rent	9 850										
Revenue		139 750									
Suspense	3 350										
Trade and other payables		6 750									
Trade and other receivables	7 525										
Wages and salaries	4 680										
Allowance for doubtful debts adjustment											
Irrecoverable debts recovered											
Total	211 975	211 975									



(Total for Question 1 = 19 marks)

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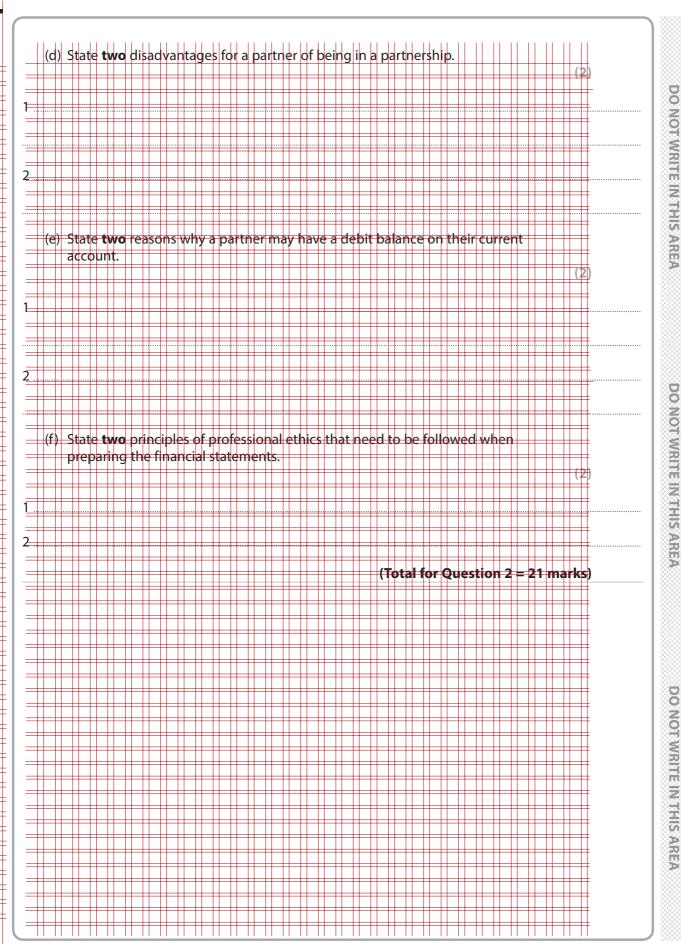
You will need to use the data on page 3 of the Resource Booklet to answer parts (a) (b) and (c). 2 (a) Prepare an appropriation account for the year ended 30 September 2017 Gavin, Hanna and Indi Appropriation Account for the year ended 30 September 2017

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Balance the account on this date and bring the balance down on 1 O	(5)
Current Account – Hanna	
Prepare the capital account for Gavin for the year ended 30 September Balance the account on this date and bring the balance down on 1 Oc	
	tober 2017.
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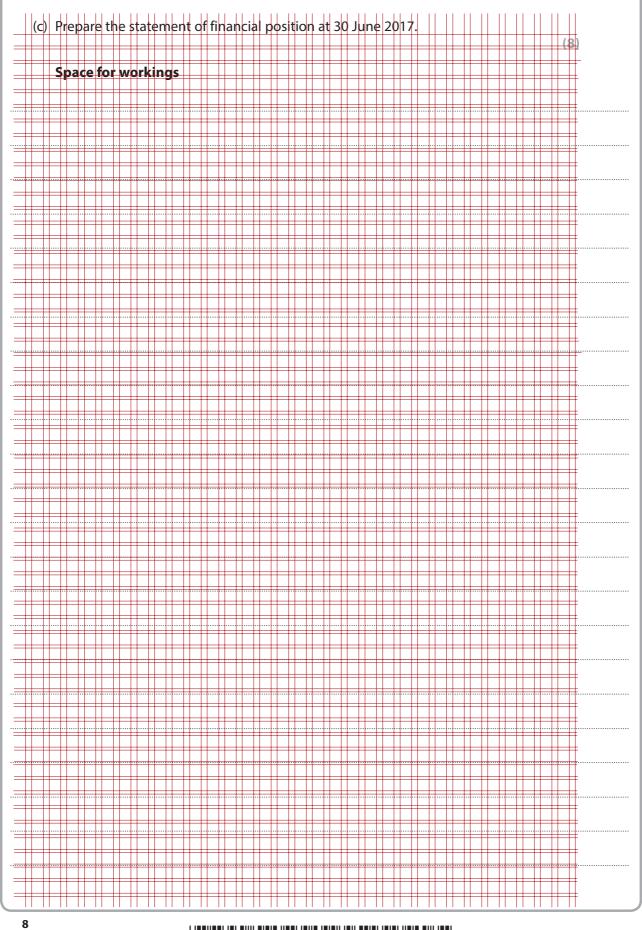


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(a) Calculate the correct value of inventory at 30 June 2017.	
	(2)
(b) Calculate the adjusted profit for the year	
(b) Calculate the adjusted profit for the year.	(4)



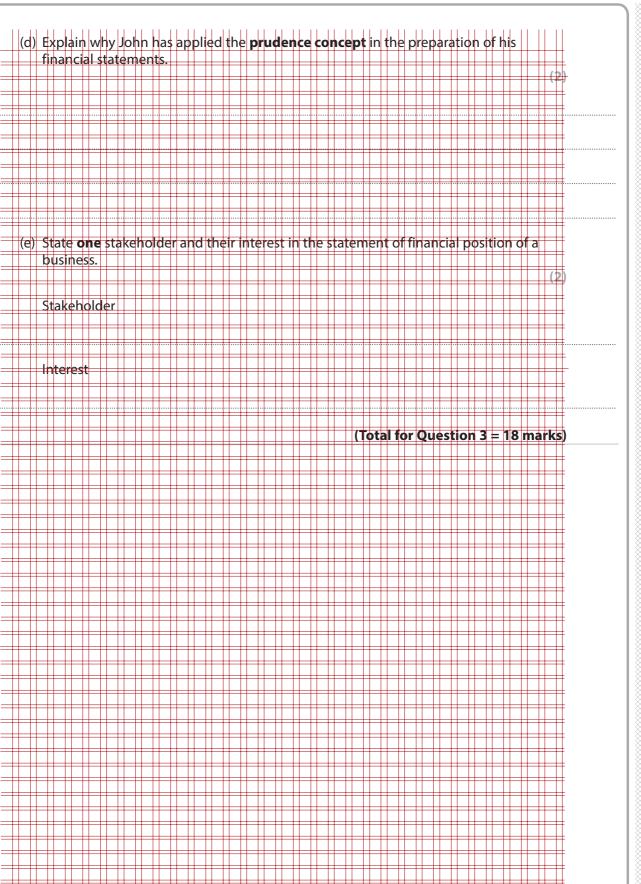
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John Statement of financial position at 30 June 2017



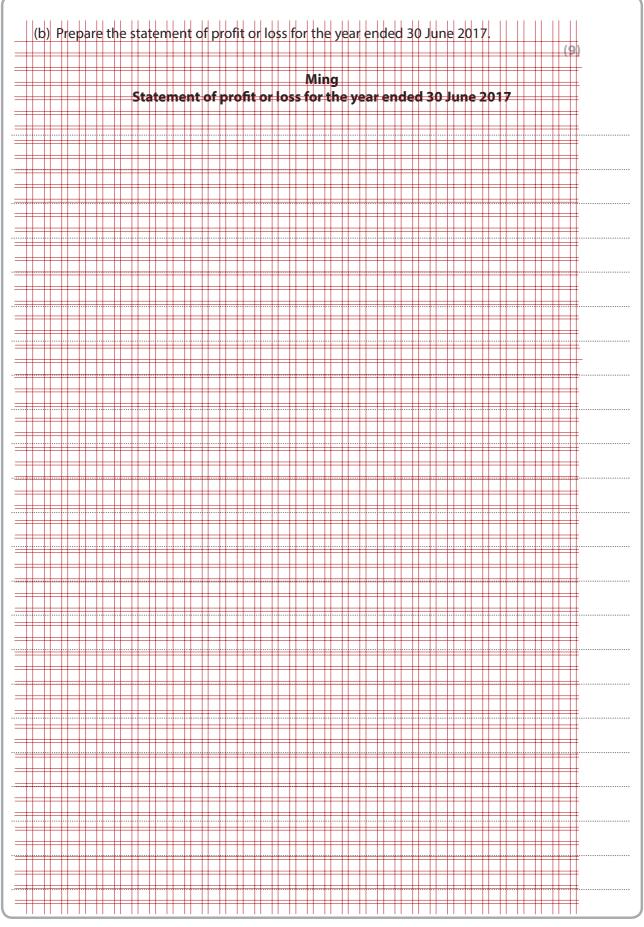


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a) Calculate, for the year ended 30 June 2017:	
(i) cash sales	
	(2)
(ii) total sales	(3)
	(3)
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(iii) total purchases.	(2)



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Ming is concerned about the financial stability of two of her suppliers, Exe Ltd and Wye Ltd, over the last year and she is thinking of cancelling her contract with one of them.

(c)	Evaluate the performance of Exe Ltd and Wye Ltd to decide which business Ming should continue to use.	
		(5)
(d)	State one other accounting ratio that Ming could use to assess the financial	
	stability of both businesses.	(1)
	(Total for Question 4 = 22 ma	rks)
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	machinery.	
`	ou must justify your decision.	(5)
		(3)
		•••••
c) S	State the accounting concept that requires businesses to charge depreciation on	
r	non-current assets.	(-)
		(1)
4) t	Prepare a reconciliation of profit for the year to net cash from operating activities	
f	or the year ended 30 June 2017.	
		(7)
9	Space for workings	



Morley Ltd Reconciliation of the profit for the year to net cash from operating activities for the year ended 30 June 2017 The financing activities section of the statement of cash flows is used to demonstrate how finance is raised and used in the business. (e) Explain how the investing activities section of a statement of cash flows is used. (2)(Total for Question 5 = 20 marks) **TOTAL FOR PAPER = 100 MARKS**