



Mark Scheme

December 2017  
**Results**

Pearson LCCI  
Certificate in Financial Accounting (VRQ)  
(ASE20097)  
Level 3

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## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.
- Where marks are awarded for own figure answers, these marks can only be awarded if evidence of how the candidate arrived at their values has been provided (their workings).
- If candidates fail to provide their workings when instructed in the paper, it may not be possible to achieve all marks associated with the question, even if the final answer is correct.
- For calculation questions full marks can be awarded where correct answer is seen with no workings shown, unless question states that candidate must provide workings.

## **Abbreviation**

**of Own Figure rule**

Accuracy marks can be awarded where the candidates' answer does not match the mark scheme, though is accurate based on their valid method.

**cao Correct Answer Only rule**

Accuracy marks will only be awarded if the candidates' answer is correct, and in line with the mark scheme.

Question Number	Answer AO2 (4)	Mark																														
<b>1(a)(i)</b>	<p><b>Award 1 mark for each correct figure with the label as indicated.</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Account</th> <th>Debit \$</th> <th>Credit \$</th> <th></th> </tr> </thead> <tbody> <tr> <td>30 June 2017</td> <td>Motor vehicle</td> <td>17 500</td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td>Purchases</td> <td></td> <td>17 500</td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Depreciation charge (expense)</td> <td>4 375</td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td>Accumulated depreciation</td> <td></td> <td>4 375</td> <td>(1)</td> </tr> </tbody> </table>	Date	Account	Debit \$	Credit \$		30 June 2017	Motor vehicle	17 500		(1)		Purchases		17 500	(1)							Depreciation charge (expense)	4 375		(1)		Accumulated depreciation		4 375	(1)	<b>(4)</b>
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	Depreciation charge (expense)	4 375		(1)																												
	Accumulated depreciation		4 375	(1)																												

Question Number	Answer AO3 (2)	Mark
<b>1(a)(ii)</b>	<p><b>Award 1 mark for identification of change in profit and 1 mark for linked justification/reasoning.</b></p> <p>Overall profit for the year will increase (\$13 125) <b>(1)</b> as the purchases will be reduced (\$17 500) and depreciation charge will increase (\$4 375) <b>(1)</b>.</p>	<b>(2)</b>

Question Number	Answer AO1 (1)	Mark
<b>1(b)</b>	<p><b>Award 1 mark for correct answer.</b></p> <p>Statement of financial position <b>(1)</b></p>	<b>(1)</b>

Question Number	Answer AO1 (2)	Mark
<b>1(c)</b>	<p><b>Award 1 mark for each correct answer. Maximum 2 marks.</b></p> <p>Bank <b>(1)</b>  Government <b>(1)</b>  Owners <b>(1)</b>  Managers <b>(1)</b>  Suppliers <b>(1)</b>  Customers <b>(1)</b>  Employees <b>(1)</b>  Investors <b>(1)</b>  Providers of external finance <b>(1)</b>  Competitors <b>(1)</b>  Local Community <b>(1)</b>  Trade Associations <b>(1)</b>  Trade Unions <b>(1)</b></p>	<b>(2)</b>

Question Number	Answer AO1 (2)	Mark
<b>1(d)</b>	<p><b>Award 1 mark for each correct answer. Maximum 2 marks.</b></p> <p>Principle <b>(1)</b>  Original entry <b>(1)</b>  Omission <b>(1)</b>  Commission <b>(1)</b>  Compensating errors <b>(1)</b>  Error of complete reversal <b>(1)</b></p>	<b>(2)</b>

Question Number	Answer AO2 (6)	Mark																																				
<b>1(e)</b>	<p><b>Award 1 mark for each correct figure as indicated.</b>  <b>Award 1 mark for all correct labels and dates.</b></p> <p style="text-align: center;"><b>Rental Income Account</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th style="text-align: right;">\$</th> <th>Date</th> <th>Details</th> <th style="text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td>1 July 2016</td> <td>Balance b/d</td> <td style="text-align: right;">1 450 <b>(1)</b></td> <td>30 June 2017</td> <td>Bank</td> <td style="text-align: right;">57 450 <b>(1)</b></td> </tr> <tr> <td>30 June 2017</td> <td>Statement of profit or loss</td> <td style="text-align: right;">56 140 <b>(1of)</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>30 June 2017</td> <td>Balance c/d</td> <td style="text-align: right;">750</td> <td>30 June 2017</td> <td>Balance c/d</td> <td style="text-align: right;">890</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">58 340</td> <td></td> <td></td> <td style="text-align: right;">58 340</td> </tr> <tr> <td>1 July 2017</td> <td>Balance b/d</td> <td style="text-align: right;">890 <b>(1)</b></td> <td>1 July 2017</td> <td>Balance b/d</td> <td style="text-align: right;">750 <b>(1)</b></td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	1 July 2016	Balance b/d	1 450 <b>(1)</b>	30 June 2017	Bank	57 450 <b>(1)</b>	30 June 2017	Statement of profit or loss	56 140 <b>(1of)</b>				30 June 2017	Balance c/d	750	30 June 2017	Balance c/d	890			58 340			58 340	1 July 2017	Balance b/d	890 <b>(1)</b>	1 July 2017	Balance b/d	750 <b>(1)</b>	<b>(6)</b>
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<p><b>Additional guidance</b>  Accept the dates in short form.</p>																																						

Question Number	Answer AO1 (2)	Mark
<b>1(f)</b>	<p><b>Award 1 mark for each correct answer max 2 marks.</b></p> <p>Current liabilities <b>(1)</b>  Current assets <b>(1)</b></p>	<b>(2)</b>

Question Number	Answer AO1 (2)	Mark
<b>1(g)</b>	<p><b>Award 1 mark for each correct answer. Maximum 2 marks.</b></p> <p>Relevance <b>(1)</b>  Faithful representation <b>(1)</b>  Timeliness <b>(1)</b>  Verifiability <b>(1)</b>  Understandability <b>(1)</b>  Comparability <b>(1)</b></p>	<b>(2)</b>

**TOTAL FOR QUESTION 1 = 21 MARKS**

Question Number	Answer AO2 (2)	Mark
<b>2(a)(i)</b>	<p><b>Award marks as indicated</b></p> <p>Closing inventory=  <math>\\$24\,000 - \\$1\,200 + (\\$1\,375 - 250)</math> <b>(1)</b>  <math>= \\$23\,925</math> <b>(1of)</b></p> <p><b>Or</b></p> <p><math>\\$24\,000 - \\$75</math> <b>(1)</b>  <math>= \\$23\,925</math> <b>(1of)</b></p>	<b>(2)</b>
<p><b>Additional guidance</b>            No specific layout required.            Correct answer only scores 2 marks.</p>		

Question Number	Answer AO1 (1) AO3 (1)	Mark
<b>2(a)(ii)</b>	<p><b>Award 1 mark for identification of a point and 1 mark for linked justification/reasoning.</b></p> <p>(According to IAS2-inventories) the inventory is valued at cost, or net realisable value, whichever is lower <b>(1)</b> in order to ensure that the business shows a true and fair view / correct valuation for inventory <b>(1)</b>.</p>	<b>(2)</b>

Question Number	Answer AO2 (1)	Mark
<b>2(b)(i)</b>	<p><b>Award marks as indicated</b></p> <p><math>\\$2\,000</math> <b>(1)</b></p>	<b>(1)</b>
<p><b>Additional guidance</b>            No specific layout required.</p>		

Question Number	Answer AO2 (2)	Mark
<b>2(b)(ii)</b>	<p><b>Award marks as indicated</b></p> <p><math>\\$38\,400</math> <b>(1)</b> <math>\times 20\% = \\$7\,680</math> <b>(1)</b></p>	<b>(2)</b>
<p><b>Additional guidance</b>            No specific layout required.            Correct answer only scores 2 marks.</p>		



Question Number	Answer AO2 (13)	Mark			
<b>2(c)</b>	<b>Award 1 mark for each correct figure against correct label as indicated.</b>	<b>(13)</b>			
<b>Tahira</b>					
<b>Extended trial balance at 31 August 2017</b>					
Ledger Accounts	Trial balance		Adjustments		
	Debit \$	Credit \$	Debit \$	Credit \$	
Allowance for doubtful debts		2 500		200 <b>(1)</b>	
Bank	150				
Disposal	2 000			2 800 <b>(1)</b>	
Equity		235 000		5 750 <b>(1)</b>	
Land and buildings - cost	250 000				
Land and buildings- accumulated depreciation		10 000		2 000 <b>(1of)</b>	From (b)(i)
Motor vehicles - cost	60 000				
Motor vehicles- accumulated depreciation		24 400	2 800 <b>(1)</b>	7 680 <b>(1of)</b>	From (b)(ii) )
Office expenses	15 175				
Opening inventory	36 000				
Purchases	149 000				
Revenue		269 555			
Trade payables		36 615	5 750 <b>(1)</b>		
Trade receivables	42 895			1 250 <b>(1)</b>	
Wages and salaries	22 850				
Allowance for doubtful debts adjustment			200 <b>(1)</b>		
Closing inventory-statement of financial position			23 925 <b>(1)</b>		From (a)(i)
Closing inventory-statement of profit or loss				23 925 <b>(1)</b>	From (a)(i)
Depreciation charge			9 680 <b>(1of)</b>		From (b)(i) & (b)(ii) )
Irrecoverable debts			1 250 <b>(1)</b>		
Total	578 070	578 070	43 605	43 605	

**TOTAL FOR QUESTION 2 = 20 MARKS**

Question Number	Answer AO2 (6)	Mark																																						
<b>3 (a)</b>	<p><b>Award marks for correct figures with understandable labels as indicated.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;"><b>Dan and Firdous</b></th> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Appropriation account for the period ended 31 December 2016</b></th> </tr> <tr> <td></td> <td style="text-align: right;"><b>\$</b></td> <td></td> </tr> </thead> <tbody> <tr> <td>Profit for the period</td> <td style="text-align: right;">20 250</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Interest on capital</td> <td></td> <td></td> </tr> <tr> <td>Dan</td> <td style="text-align: right;">(2 000)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Firdous</td> <td style="text-align: right;">(3 000)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Salaries</td> <td></td> <td></td> </tr> <tr> <td>Dan</td> <td style="text-align: right;">(3 000)</td> <td rowspan="2" style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Firdous</td> <td style="text-align: right;">(3 000)</td> </tr> <tr> <td>Profit to be distributed</td> <td style="text-align: right;">9 250</td> <td></td> </tr> <tr> <td>Dan</td> <td style="text-align: right;">3 700</td> <td style="text-align: right;"><b>(1of)</b></td> </tr> <tr> <td>Firdous</td> <td style="text-align: right;">5 550</td> <td style="text-align: right;"><b>(1of)</b></td> </tr> </tbody> </table>	<b>Dan and Firdous</b>			<b>Appropriation account for the period ended 31 December 2016</b>				<b>\$</b>		Profit for the period	20 250	<b>(1)</b>	Interest on capital			Dan	(2 000)	<b>(1)</b>	Firdous	(3 000)	<b>(1)</b>	Salaries			Dan	(3 000)	<b>(1)</b>	Firdous	(3 000)	Profit to be distributed	9 250		Dan	3 700	<b>(1of)</b>	Firdous	5 550	<b>(1of)</b>	<b>(6)</b>
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Question Number	Answer AO2 (1)	Mark
<b>3(b)(i)</b>	<p><b>Award 1 mark as indicated.</b></p> <p>\$7 360 <b>(1)</b></p>	<b>(1)</b>
<p><b>Additional guidance</b> No specific layout required.</p>		

Question Number	Answer AO2 (1)	Mark
<b>3(b)(ii)</b>	<p><b>Award 1 mark as indicated.</b></p> <p>\$11 200 <b>(1)</b></p>	<b>(1)</b>
<p><b>Additional guidance</b> No specific layout required.</p>		

Question Number	Answer AO2 (1)	Mark
<b>3(b)(iii)</b>	<p><b>Award 1 mark as indicated.</b></p> <p>(5 300) + (interest on capital \$2 000 +Salary \$3 000 +Profit share \$3 700 (all from a) = \$3 400 <b>(1of)</b></p>	<b>(1)</b>
<p><b>Additional guidance</b> No specific layout required. Award of based on answer to 3(a).</p>		

Question Number	Answer AO2 (8)	Mark																																				
3(c)	<p><b>Award 1 mark for each correct figure as indicated.</b>  <b>Award 1 mark for all correct labels and dates.</b></p> <p style="text-align: center;"><b>Capital Account - Dan</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>31 December 2016</td> <td>Revaluation (motor vehicle)</td> <td>14 500 <b>(1)</b></td> <td>1 October 2016</td> <td>Balance b/d</td> <td>100 000 <b>(1)</b></td> </tr> <tr> <td></td> <td>Cash book /Bank</td> <td>107 460 <b>(1of)</b></td> <td>31 December 2016</td> <td>Revaluation (profit on revaluation)</td> <td>7 360 <b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Goodwill</td> <td>11 200 <b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Current (account)</td> <td>3 400 <b>(1 of)</b></td> </tr> <tr> <td></td> <td></td> <td>121 960</td> <td></td> <td></td> <td>121 960</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	31 December 2016	Revaluation (motor vehicle)	14 500 <b>(1)</b>	1 October 2016	Balance b/d	100 000 <b>(1)</b>		Cash book /Bank	107 460 <b>(1of)</b>	31 December 2016	Revaluation (profit on revaluation)	7 360 <b>(1)</b>					Goodwill	11 200 <b>(1)</b>					Current (account)	3 400 <b>(1 of)</b>			121 960			121 960	<b>(7)</b>
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<p><b>Additional guidance</b>  Accept the dates in short form.</p>																																						

Question Number	Answer AO3 (4) AO5 (1)	Mark
<b>3(d)</b>	<p><b>Max 4 marks for discussion of partnership and private limited companies.</b>  <b>Award 1 mark for supported decision.</b></p> <p>Emma and Firdous will have limited liability in a private limited company which means that their personal assets will not be used to pay off business debts compared to a partnership where they have unlimited liability <b>(1)</b>.</p> <p>Possibility to raise more resources / finances by issuing shares in a private limited company compared to a partnership <b>(1)</b>.</p> <p>They will have to follow strict rules and regulations to file accounts liability for a private limited company whereas in their existing structure they are not required to <b>(1)</b>.</p> <p>They can take out the drawings at present in addition to interest on capital and salaries, but being shareholders liability in a private limited company they would only be entitled to a dividend / directors' salaries <b>(1)</b>.</p> <p><b>Any supported decision (1)</b>  <b>Accept any other appropriate responses</b></p>	<b>(5)</b>

**TOTAL FOR QUESTION 3 = 21 MARKS**

Question Number	Answer AO2 (4)	Mark
<b>4(a)(i)</b>	<p><b>Award marks as indicated.</b></p> <p>Credit sales = \$270 000 <b>W (2/1of)</b></p> <p><b>W</b></p> <p>\$27 000 x 360/36 <b>(1)</b> = \$270 000 <b>(1of)</b></p> <p>Cash sales = \$65 000 <b>(1)</b></p> <p>Total sales = \$335 000 <b>(1of)</b></p>	<b>(4)</b>
<p><b>Additional Guidance</b>            No specific layout required.            Correct answer only scores 4 marks.            Award of mark only if candidates have \$27 000.</p>		

Question Number	Answer AO2 (4)	Mark
<b>4(a)(ii)</b>	<p><b>Award marks as indicated.</b></p> <p>Credit purchases = \$291 600 <b>W (2/1of)</b></p> <p><b>W</b></p> <p>\$32 400 x 360/40 <b>(1)</b> = \$291 600 <b>(1of)</b></p> <p>Cash purchases = \$2 400 <b>(1)</b></p> <p>Total purchases = \$294 000 <b>(1of)</b></p>	<b>(4)</b>
<p><b>Additional Guidance</b>            No specific layout required.            Correct answer only scores 4 marks.            Award of mark only if candidates have \$32 400.</p>		

Question Number	Answer AO2 (5)	Mark																																								
<b>4(b)</b>	<p><b>Award 1 mark for each correct figure with understandable label as indicated.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;"><b>Wang</b></th> </tr> <tr> <th colspan="4" style="text-align: center;"><b>Statement of profit or loss for the year ended 30 June 2017</b></th> </tr> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">335 000 <b>(1of)</b></td> <td><b>from (a)(i)</b></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">43 250</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">294 000 <b>(1of)</b></td> <td></td> <td><b>from (a)(ii)</b></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;">(69 250) <b>(1of)</b></td> <td></td> <td>(balancing figure)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(268 000) <b>(1of)</b></td> <td></td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">67 000 <b>(1of)</b></td> <td></td> </tr> </tbody> </table>	<b>Wang</b>				<b>Statement of profit or loss for the year ended 30 June 2017</b>					\$	\$		Revenue		335 000 <b>(1of)</b>	<b>from (a)(i)</b>	Cost of sales				Opening inventory	43 250			Purchases	294 000 <b>(1of)</b>		<b>from (a)(ii)</b>	Closing inventory	(69 250) <b>(1of)</b>		(balancing figure)			(268 000) <b>(1of)</b>		Gross profit		67 000 <b>(1of)</b>		<b>(5)</b>
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<p><b>Additional guidance</b> Gross profit and cost of sales relationship must be correct based on revenue figure by using the mark up of 25%.</p>																																										

Question Number	Answer AO1 (1)	Mark
<b>4(c)</b>	<p><b>Award 1 mark for correct answer.</b> Cost of sales /Average inventory = (times) <b>(1)</b></p>	<b>(1)</b>
<p><b>Additional guidance</b> Accept answer in narrative form. Accept if inventory turnover formula provided in days.</p>		

Question Number	Answer AO1 (1)	Mark
<b>4(d)</b>	<p><b>Award 1 mark for correct answer.</b> Honesty / integrity <b>(1)</b></p>	<b>(1)</b>

Question Number	Answer AO4 (4) AO5 (1)	Mark
<b>4(e)</b>	<p><b>Award max 1 mark for analysis of each ratio. Award 1 mark for evaluation. Evaluation mark can only be awarded if at least two ratio is analysed.</b></p> <p>Gross profit percentage/margin of Su is better, compared to Adam, maybe because of charging higher selling price in proportion to cost of sales <b>(1)</b>.</p> <p>Profit for the year to revenue percentage/margin of Su is better compared to Adam which may be due to higher gross profit margin, or Adam is controlling his operating expenses better <b>(1)</b>.</p> <p>Current ratio indicates that Adam is financially better than Su as he can pay his short-term liability from his current assets <b>(1)</b>.</p> <p>Quick ratio (acid test) indicates both business would struggle to pay their short-term liabilities with their liquid assets but Adam's liquid assets are better than Su's <b>(1)</b>.</p> <p>Any supported evaluation <b>(1)</b>.</p>	<b>(5)</b>
<p><b>Additional guidance</b> Award 1 for quick ratio (acid test) mark if stated that Su holds more inventory than Adam.</p>		

**TOTAL FOR QUESTION 4 = 20 MARKS**

Question Number	Answer AO1 (1)	Mark
<b>5(a)</b>	<p><b>Award 1 mark for correct answer.</b></p> <ul style="list-style-type: none"> <li>To understand the change in the cash and cash equivalents of two financial periods. <b>(1)</b></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>To understand the difference between the profit/ (loss) and cash and cash equivalents. <b>(1)</b></li> </ul>	<b>(1)</b>

Question Number	Answer AO2 (7)	Mark																				
<b>5(b)</b>	<p><b>Award marks for correct figures with understandable labels as indicated.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>Descop Ltd</b></th> </tr> <tr> <th colspan="2" style="text-align: center;"><b>Reconciliation of profit of the year to net cash from operating activities for the year ended 30 September 2017</b></th> </tr> <tr> <th></th> <th style="text-align: right;"><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>Loss for the year</td> <td style="text-align: right;">(66 430) <b>(1)</b></td> </tr> <tr> <td>Depreciation charge for the year</td> <td style="text-align: right;">103 190 <b>(1)</b></td> </tr> <tr> <td>Profit on disposal of motor vehicle</td> <td style="text-align: right;">(4 400) <b>(1)</b></td> </tr> <tr> <td>Increase in inventory</td> <td style="text-align: right;">(14 100) <b>(1)</b></td> </tr> <tr> <td>Increase in trade receivables</td> <td style="text-align: right;">(9 585) <b>(1)</b></td> </tr> <tr> <td>Decrease in trade payables</td> <td style="text-align: right;">(6 325) <b>(1)</b></td> </tr> <tr> <td><b>Net cash from operating activities</b></td> <td style="text-align: right;"><b>2 350</b> <b>(1of)</b></td> </tr> </tbody> </table>	<b>Descop Ltd</b>		<b>Reconciliation of profit of the year to net cash from operating activities for the year ended 30 September 2017</b>			<b>\$</b>	Loss for the year	(66 430) <b>(1)</b>	Depreciation charge for the year	103 190 <b>(1)</b>	Profit on disposal of motor vehicle	(4 400) <b>(1)</b>	Increase in inventory	(14 100) <b>(1)</b>	Increase in trade receivables	(9 585) <b>(1)</b>	Decrease in trade payables	(6 325) <b>(1)</b>	<b>Net cash from operating activities</b>	<b>2 350</b> <b>(1of)</b>	<b>(7)</b>
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<b>5(c)</b>	<p><b>Award marks for correct figures with understandable labels as indicated.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;"><b>Descop Ltd</b></th> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Statement of cash flows for the year ended 30 September 2017</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>\$</b></th> <th style="text-align: center;"><b>\$</b></th> </tr> </thead> <tbody> <tr> <td>Net cash from operating activities</td> <td></td> <td style="text-align: right;">2 350</td> </tr> <tr> <td>Investing activities</td> <td></td> <td></td> </tr> <tr> <td>Acquisition of land and buildings</td> <td style="text-align: right;">(150 000) <b>(1)</b></td> <td></td> </tr> <tr> <td>Acquisition of plant and machinery</td> <td style="text-align: right;">(120 000) <b>(1)</b></td> <td></td> </tr> <tr> <td>Disposal of motor vehicle</td> <td style="text-align: right;">33 200 <b>(1)</b></td> <td></td> </tr> <tr> <td>Net cash used in investing activities</td> <td></td> <td style="text-align: right;">(236 800) <b>(1of)</b></td> </tr> <tr> <td>Financing activities</td> <td></td> <td></td> </tr> <tr> <td>Issue of shares</td> <td style="text-align: right;">250 000 <b>(1)</b></td> <td></td> </tr> <tr> <td>Repayment of bank loan</td> <td style="text-align: right;">(25 000) <b>(1)</b></td> <td></td> </tr> <tr> <td>Net cash from financing activities</td> <td></td> <td style="text-align: right;">225 000 <b>(1of)</b></td> </tr> <tr> <td>Net decrease in cash and cash equivalents</td> <td></td> <td style="text-align: right;">(9 450) <b>(1)</b></td> </tr> <tr> <td>Cash and cash equivalents at the beginning of the year</td> <td></td> <td style="text-align: right;">2 000 <b>(1)</b></td> </tr> <tr> <td>Cash and cash equivalents at the end of the year</td> <td></td> <td style="text-align: right;">(7 450) <b>(1)</b></td> </tr> </tbody> </table>	<b>Descop Ltd</b>			<b>Statement of cash flows for the year ended 30 September 2017</b>				<b>\$</b>	<b>\$</b>	Net cash from operating activities		2 350	Investing activities			Acquisition of land and buildings	(150 000) <b>(1)</b>		Acquisition of plant and machinery	(120 000) <b>(1)</b>		Disposal of motor vehicle	33 200 <b>(1)</b>		Net cash used in investing activities		(236 800) <b>(1of)</b>	Financing activities			Issue of shares	250 000 <b>(1)</b>		Repayment of bank loan	(25 000) <b>(1)</b>		Net cash from financing activities		225 000 <b>(1of)</b>	Net decrease in cash and cash equivalents		(9 450) <b>(1)</b>	Cash and cash equivalents at the beginning of the year		2 000 <b>(1)</b>	Cash and cash equivalents at the end of the year		(7 450) <b>(1)</b>	<b>(10)</b>
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**TOTAL FOR QUESTION 5 = 18 MARKS**

**Total for paper = 100 MARKS**