

# Pearson LCCI

**Thursday 15 November 2018**

Time: 3 hours

Paper Reference **ASE20097**

## **Certificate in Financial Accounting (VRQ) Level 3**

Please check the examination details above before entering your candidate information

Candidate name

Centre Code

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

Candidate Number

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

Candidate ID Number

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

**You must have:**  
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.*
- 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 ►

P57545A

©2018 Pearson Education Ltd.

1/1/1/1



Pearson

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

You will need to use the data on **page 2** of the Resource Booklet to answer part (c).

**1** (a) State **two** types of error which are **not** identified by the preparation of a trial balance.

(2)

1

2

(b) State **two** errors which **are** identified by the preparation of a trial balance.

(2)

1

2

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



(c) Complete the adjustment columns of the extended trial balance extract at 30 June 2018.

(16)

<b>Tina</b>			
<b>Extended trial balance extract at 30 June 2018</b>			
	<b>Balance</b>	<b>Adjustments</b>	
	<b>\$</b>	<b>Debit \$</b>	<b>Credit \$</b>
Allowance for doubtful debts	5 700		
Bank	3 975		
Drawings	12 500		
Heating and lighting	4 750		
Irrecoverable debts	450		
Motor vehicle expenses	16 250		
Purchases	230 450		
Rental income	13 750		
Revenue	390 750		
Trade payables	75 000		
Trade receivables	85 750		
Allowance for doubtful debts adjustment			
Closing inventory- statement of financial position			
Closing inventory- statement of profit or loss			
Other payables			
Other receivables			
Suspense			

(Total for Question 1 = 20 marks)



You will need to use the data on **page 3** of the Resource Booklet to answer parts (b) and (c).

**2** (a) State **two** accounting concepts which apply when charging depreciation.

(2)

1

2

(b) Complete the non-current assets register (extract) for the year ended 30 June 2018.

(2)

**Non-current assets register (extract)**

Description	Year ended 30 June	Acquisition date	Cost \$	Depreciation charge \$	Carrying amount \$	Disposal proceeds \$
Machine A	2016	1 September 2015	80 000	12 000	68 000	
	2017			10 200	57 800	
	2018					
Machine B	2018	31 March 2018	90 000			

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



(c) Prepare the following accounts for the year ended 30 June 2018. Balance the accounts on that date and bring the balances down on 1 July 2018.

(i) **Machinery Cost Account** (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(ii) **Machinery Accumulated Depreciation Account** (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



(d) Explain how the going concern concept is applied when preparing financial statements.

(2)

(e) Complete the sentence.

A/an ..... in the ..... ratio indicates that the revenue generated using total assets has improved.

(2)

**(Total for Question 2 = 18 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**



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

**3** (a) Complete the table to show the double entry to record each transaction.

(4)

Transaction	Account to be debited	Account to be credited
Interest on drawings		
Interest on capital		

(b) Calculate on realisation:

(i) the total profit

(5)

(ii) Ming's share of profit

(1)

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





(c) Prepare the capital account for **Ming** at 30 June 2018 after dissolution.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(d) Calculate the amount of money that will be paid to **Aung** on the dissolution of the partnership.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(e) Explain **one** reason for **not** maintaining goodwill on the retirement of a partner.

(2)

.....

.....

.....

.....

(Total for Question 3 = 20 marks)



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

- 4** (a) Prepare the statement to reconcile the profit for the year to net cash from operating activities for the year ended 31 March 2018.

(6)

**Yoeel Ltd**  
**Reconciliation of profit for the year to net cash from operating activities for the year ended 31 March 2018**

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) Prepare the statement of cash flows for the year ended 31 March 2018.

(10)

**Yoel Ltd**  
**Statement of cash flows for the year ended 31 March 2018**

Area with horizontal dotted lines for writing the cash flow statement.

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



(c) Discuss whether Yoeel Ltd should convert to a public limited company.

You must justify your decision.

(5)

**(Total for Question 4 = 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



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**



You will need to use the data on **pages 6 and 7** of the Resource Booklet to answer parts (a), (b) and (c).

**5** (a) Calculate for the year ended 31 March 2018:

(i) cost of sales

(1)

(ii) purchases

(1)

(iii) sales.

(1)

(b) Prepare the statement of financial position at 31 March 2018.

(13)

**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



**Gerry**  
**Statement of financial position at 31 March 2018**

Area with horizontal dotted lines for writing the financial statement.

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



(c) Evaluate the performance of each business.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 5 = 21 marks)**

**TOTAL FOR PAPER = 100 MARKS**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

