

Pearson LCCI

Certificate in Financial Accounting (VRQ) Level 3

Thursday 5 July 2018
Time: 3 hours

Paper Reference
ASE20097

Complete the details below in block capitals.

Candidate name

Centre Code

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Candidate Number

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Candidate ID Number

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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 ►

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

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

1 (a) State **two** uses of a trial balance.

(2)

1

2

(b) Calculate the value of the inventory at 31 May 2018.

(3)

	\$
Draft inventory valuation	38 920
Product A1	
Product B2	
Revised inventory valuation	

(c) Calculate for the year ended 31 May 2018 the:

(i) depreciation charge for the motor vehicles

(1)

(ii) bank loan interest.

(1)

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(d) Complete the adjustment and statement of profit or loss columns of the extended trial balance extract at 31 May 2018.

(15)

Dele					
Extended trial balance extract at 31 May 2018					
	Balance \$	Adjustment		Statement of profit or loss	
		Debit \$	Credit \$	Debit \$	Credit \$
Equity	50 000				
Motor expenses	3 268				
Motor vehicles – accumulated depreciation	36 300				
Motor vehicles – cost	84 200				
Opening inventory	38 312				
Trade and other payables	19 969				
8% bank loan (2024)					
Bank loan interest					
Closing inventory – statement of financial position					
Closing inventory – statement of profit or loss					
Depreciation charge					

(Total for Question 1 = 22 marks)



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

2 (a) Prepare the following accounts for the year ended 28 February 2018. Balance the accounts on that date and bring the balances down on 1 March 2018.

(i)

Rental Income Account

(5)

(ii)

Insurance Account

(5)

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(b) Calculate the:

(i) bank balance at 28 February 2018

(1)

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.....

(ii) profit or loss for the year ended 28 February 2018.

(3)

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.....

(c) Prepare an extract of the statement of financial position at 28 February 2018 showing the **equity and liabilities** section only.

(4)

Todd
Statement of financial position at 28 February 2018

Equity and liabilities

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(Total for Question 2 = 18 marks)

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

3 (a) State **two** advantages of operating as a sole trader compared to a partnership.

(2)

1

2

(b) Prepare the appropriation account for the nine-month period ended 31 March 2018.

(6)

Aung, Bu and Chaw
Appropriation Account for the nine-month period ended 31 March 2018

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(c) (i) Calculate Bu's current account balance at 31 March 2018.

(2)

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(ii) Prepare the capital account for Bu for the year ended 31 March 2018. Balance the account on that date and bring the balance down on 1 April 2018.

(5)

Capital Account – Bu

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Su has just started working as a trainee for the partnership's accountants.

(d) Discuss what Su should do in each scenario.

You must justify your decision.

(5)

Scenario 1: Chaw's mother has asked Su to provide details of Chaw's income for the period.

Principle of professional ethics

Explanation

Scenario 2: Su has been asked by Chaw what he can do to minimise his tax liability.

Principle of professional ethics

Explanation

Decision

(Total for Question 3 = 20 marks)

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

4 (a) State where in a statement of cash flows the following would be shown:

(i) dividends received

(1)

(ii) depreciation.

(1)

(b) Prepare the plant and equipment cost account for the year ended 31 March 2018. Balance the account on that date and bring the balance down on 1 April 2018.

(4)

Plant and Equipment – Cost Account

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

(10)

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

Dotted lines for writing the cash flow statement.

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(d) Explain how the debentures are shown in the statement of financial position of Pathblazers Ltd at 31 March 2018.

(4)

Debentures (2018)

Debentures (2027)

(Total for Question 4 = 20 marks)

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You will need to use the data on **page 7** of the Resource Booklet to answer parts (a) and (d).

5 (a) Prepare the statement of profit or loss for the year ended 31 May 2018.

(9)

Space for workings

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Geline
Statement of profit or loss for the year ended 31 May 2018

Area with horizontal dotted lines for writing the financial statement.

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(b) Explain, with reference to an accounting concept, why it was necessary to adjust general expenses.

(2)

Concept

Explanation

(c) (i) Explain the interest of **one** stakeholder in the financial statements of Mingz Ltd.

(2)

Stakeholder

Explanation

(ii) State **two** other stakeholders who may be interested in the financial statements of Mingz Ltd.

(2)

1

2

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(d) Evaluate the performance of Mingz Ltd

(5)

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(Total for Question 5 = 20 marks)

TOTAL FOR PAPER = 100 MARKS



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