

Pearson LCCI

Wednesday 5 September 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 ►

P57540A

©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 parts (a) and (b).

1 (a) Prepare the following accounts for the year ended 30 June 2018.

(i) **Irrecoverable Debts Account** (3)

(ii) **Irrecoverable Debts Recovered Account** (3)

(iii) **Allowance for Doubtful Debts Account** (3)

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 an extract of the statement of financial position at 30 June 2018 to show the **current assets** section only.

(3)

Pierre
Statement of financial position at 30 June 2018

Current assets

.....

.....

.....

.....

.....

(c) Explain an accounting concept that is applied when maintaining an allowance for doubtful debts.

(2)

Concept

.....

Explanation

.....

.....



(d) Complete the table to identify the stakeholders and their interest in the financial statements of a business. The first one has been completed for you.

(4)

Stakeholder	Interest
Competitors	To compare performance
Suppliers	To ensure continuity of products/services
Government	To protect the interest of workers

(Total for Question 1 = 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 3** of the Resource Booklet to answer parts (a) and (b).

2 (a) Calculate:

(i) the value of inventory at 31 July 2018

(1)

(ii) the accumulated depreciation on the motor vehicle sold

(1)

(iii) the depreciation charge for the year ended 31 July 2018.

(1)

(b) Complete the adjustment and statement of profit or loss columns of the extended trial balance extract at 31 July 2018 on **page 7**.

(16)

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



Marco
Extended trial balance extract at 31 July 2018

	Balance	Adjustments		Statement of profit or loss	
		Debit \$	Credit \$	Debit \$	Credit \$
Bank	1 410				
Equity	86 200				
Motor vehicles – cost	87 400				
Motor vehicles – accumulated depreciation	31 600				
Purchases	41 620				
Trade payables ledger control	8 743				
Closing inventory – statement of financial position					
Closing inventory – statement of profit or loss					
Depreciation charge					
Disposal					
Drawings					

(c) State **two** reasons why there may be a difference between the motor vehicles in the non-current asset register and a physical inspection of the motor vehicles.

(2)

- 1
- 2

(Total for Question 2 = 21 marks)



P 5 7 5 4 0 A 0 7 1 6

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

3 (a) Explain **one** reason why a business may maintain a trade payables ledger control account.

(2)

(b) Prepare the trade payables ledger control account for the year ended 31 August 2018. Balance the account on this date and bring the balance down on 1 September 2018.

(6)

Trade Payables Ledger Control Account

(c) (i) Calculate the amount to be shown in the statement of profit or loss for the year ended 31 August 2018 for:

(2)

rent received

insurance.

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



(ii) Prepare the statement of profit or loss for the year ended 31 August 2018.

(5)

Najib
Statement of profit or loss for the year ended 31 August 2018

Area for writing the statement of profit or loss, consisting of multiple 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



(d) State **two** ratios that are used to measure the liquidity of a business.

(2)

1

2

(e) Explain the effect on a business's liquidity of the purchase of a non-current asset paying by cash.

(2)

(f) State **two** principles of professional ethics that an accountant has to comply with.

(2)

1

2

(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



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 5** of the Resource Booklet to answer parts (a), (b), (c) and (d).

4 (a) Calculate the share of profit or loss due to Jenny on revaluation.

(1)

(b) Calculate Jenny's share of profit for the period ended 31 December 2017.

(1)

(c) Prepare Jenny's capital account at 31 December 2017.

(7)

Capital Account – Jenny

(d) (i) Calculate the interest on Jenny's loan for the period ended 31 March 2018.

(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



(ii) Prepare the appropriation account for the three-month period ended 31 March 2018.

(3)

Katie and Leo
Appropriation account for the three-month period ended 31 March 2018

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(e) Discuss whether the remaining partners should continue as general partners or form a private limited company.

You must justify your decision.

(5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 4 = 18 marks)



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

- 5 (a) Prepare a statement to reconcile the profit for the year to net cash from operating activities for the year ended 30 June 2018.

(6)

Nipang Ltd

Reconciliation of profit for the year to net cash from operating activities for the year ended 30 June 2018

- (b) Prepare the statement of cash flows for the year ended 30 June 2018.

(11)

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



Nipang Ltd
Statement of cash flows for the year ended 30 June 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) Evaluate the performance of P Ltd.

(5)

Area with horizontal dotted lines for writing the answer.

(Total for Question 5 = 22 marks)

TOTAL FOR PAPER = 100 MARKS

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

