

Pearson LCCI

Wednesday 16 January 2019

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

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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 2** of the Resource Booklet to answer part (b).

1 (a) State **two** purposes of a trade receivables ledger control account.

(2)

1

2

(b) Complete the adjustments, statement of profit or loss and statement of financial position columns of the extended trial balance extract at 31 December 2018 on **page 3**.

(17)

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Cyrus – Extended trial balance at 31 December 2018

	Balance		Adjustments		Statement of profit or loss		Statement of financial position	
	Debit \$	Credit \$	Debit \$	Credit \$	Debit \$	Credit \$	Debit \$	Credit \$
Bank		19 050						
Closing inventory	27 000	27 000						
Depreciation charge	6 000							
Equity		42 650						
General expenses	56 000							
Insurance	2 700							
Motor vehicles – accumulated depreciation		24 000						
Motor vehicles – cost	60 000							
Opening inventory	13 650							
Other payables – general expenses		600						
Other receivables – insurance	900							
Purchases	325 000							
Revenue		410 000						
Suspense	2 050							
Trade payables ledger control		35 000						
Trade receivables ledger control	65 000							
Profit/loss for the year								
TOTAL	558 300	558 300						

(Total for Question 1 = 19 marks)



P 6 3 3 2 2 A 0 3 1 6

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

2 (a) State **two** stakeholders and their interests in the financial statements of a business.

(4)

1

2

(b) (i) Prepare the allowance for doubtful debts account for the years ended 31 December 2017 and 31 December 2018.

(6)

Allowance for Doubtful Debts Account

(ii) Calculate the amount of trade receivables to be shown in the statement of financial position at 31 December 2018.

(1)

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(c) State **one other** method of depreciation Toby could use. (1)

(d) Complete the non-current assets register extract for the year ended 31 December 2018. (3)

Non-current assets register extract

Computer equipment	Year ended 31 December	Acquisition date	Cost \$	Depreciation charge \$	Carrying amount \$
Computer – Carta	2016	1 June 2016	1 000	350	650
	2017			350	300
	2018				
Computer – Magna	2018				

(e) (i) Prepare the disposal account. (5)

Disposal Account

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(ii) Explain the effect on the profit or loss on disposal of the motor vehicle if Toby had applied the straight line method of depreciation at 20% per annum.

(2)

(Total for Question 2 = 22 marks)

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You will need to use the data on **pages 4 and 5** of the Resource Booklet to answer parts (a), (b) and (c).

3 (a) Prepare Khine's capital account.

(6)

Capital Account – Khine

(b) Prepare the statement of financial position at 1 January 2019 showing the **equity and liabilities** section only.

(8)

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Lwin and Myat
Statement of financial position at 1 January 2019

Equity and liabilities

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(c) Discuss why it is important for the partnership to maintain separate capital accounts and current accounts.

You must justify your decision.

(5)

(Total for Question 3 = 19 marks)

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

4 (a) Calculate the total depreciation charge for the year ended 30 September 2018.

(3)

(b) Prepare the statement of profit or loss for the year ended 30 September 2018.

(15)

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You will need to use the data on **page 7 and 8** of the Resource Booklet to answer parts (c) and (d).

5 (a) State **one** principle of professional ethics.

(1)

(b) Explain **one** reason why it is necessary for a company to prepare a statement of cash flows.

(2)

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

(i) cost of land acquired

(2)

(ii) cost of equipment acquired

(2)

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(iii) net cash used in/from investing activities

(3)

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(iv) net increase/decrease in cash and cash equivalents.

(3)

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(d) (i) State the formula for each ratio.

(4)

Ratio	Formula
Profit for the year as a percentage of revenue	
Return on capital employed (ROCE)	
Current ratio	
Quick ratio (acid test)	

[Question 5 continues on the next page.]



