

Pearson LCCI

Wednesday 3 April 2019

Time: 3 hours

Paper Reference **ASE20097**

**Certificate in Financial Accounting
(VRQ)**

Level 3

Resource Booklet

Do not return this Resource Booklet with the question paper.

Instructions

- All workings and answers **must** be given in the question paper.
- Please note that any workings and answers written in the Resource Booklet will **not** be marked.

P63889A

©2019 Pearson Education Ltd.

1/1/1/1



Turn over ►



Pearson

Resource for Question 1 – Part (a).

Gino provided the following balances at 31 December 2018.

Account	\$
Bank	1 575
Rent	1 800
Trade receivables ledger control	96 000

The following had not been accounted for at 31 December 2018:

- a credit customer's cheque of \$245 returned by the bank
- a payment to a supplier of \$315 by direct debit
- a bank transfer from a credit customer of \$2 365
- an increase in the allowance for doubtful debts by \$750
- the sales journal was overstated by \$1 000
- a standing order payment for rent of \$200 for the month of January 2019.

Resource for Question 2 – Part (a).

Mia provided the following information in addition to the extended trial balance extract at 31 March 2019 on **page 4** of the question paper.

- Goods, cost price \$750, taken for personal use, had been recorded in the sales account.
- Cash, \$1 450, taken for personal use had been treated as wages.
- A purchase of machinery costing \$2 500 had been recorded in the repairs account.
- The depreciation on machinery was to be charged at 10% per annum using the reducing (diminishing) balance method.
- Rent receivable, \$375, had been posted to the rent payable account as \$357
- An inter ledger set off (contra entry), \$2 800, had not been entered in the books.
- Inventory, valued at \$2 000, is damaged and has no value.

Resource for Question 3 – Parts (a), (b) and (c).

Ali, Bob and Chander are in partnership sharing profits and losses equally.

The partners provided the following information at 31 December 2018.

	\$
Capital	
Ali	64 750
Bob	84 900
Chander	56 000
Cash and cash equivalents	4 750
Inventory	45 000
Land and buildings – carrying value	150 000
Trade payables	17 550
Trade receivables	23 450

On 1 January 2019 Bob retired. The remaining partners agreed to continue sharing profits and losses equally.

The assets were revalued as follows:

	\$
Inventory	42 500
Land and buildings	200 000
Trade receivables	22 510

Goodwill was valued at \$36 000. The partners agreed not to maintain goodwill in the partnership books.

It was decided to settle the amount due to Bob by cheque. This was financed in part by Ali and Chander **each** providing \$50 000 as loans to the partnership to be repaid in full at the end of 2024.

Resource for Question 4 – Parts (a), (b), (c) and (d).

Shangari Ltd extracted the following information.

Account	31 March 2019 \$	1 April 2018 \$
Share capital (ordinary shares of \$1 each)	To be calculated	100 000
Share premium	To be calculated	50 000
8% debentures (2022)	370 000	470 000
Bank	4 500	3 750 Cr
Inventory	49 450	45 000
Land and buildings – cost/valuation – accumulated depreciation	700 000 65 000	450 000 50 000
Machinery – cost – accumulated depreciation	350 000 120 365	380 000 102 980
Short-term investment	20 000	50 000
Trade payables	165 430	143 800
Trade receivables	112 390	98 750

During the year ended 31 March 2019:

Date	Transaction
1 July 2018	A bonus issue of one ordinary share for every two ordinary shares held was made. The directors decided to leave the reserves in the most flexible form.
1 January 2019	A rights issue of one ordinary share for every three ordinary shares held was made at \$1.20 per share. The rights issue was fully subscribed.
31 March 2019	A dividend of 12.5% was paid on all ordinary shares.
31 March 2019	A machine with a carrying value of \$21 870 and accumulated depreciation of \$8 130 was sold for a profit of \$520
31 March 2019	Land was revalued upwards by \$150 000. Land is not depreciated.

There were no acquisitions of machinery and no disposals of land and buildings.

Resource for Question 5 – Parts (b) and (c).

Rohan does not maintain a full set of accounting records but was able to provide the following information for the year ended 31 March 2019.

Assets and liabilities	31 March 2019 \$	1 April 2018 \$
Inventory	7 540	5 467
Motor vehicles – carrying value	40 122	14 580
Other receivables – insurance	180	140
Other payables – rent	240	750
Trade payables	14 760	13 450
Cash in hand	457	957

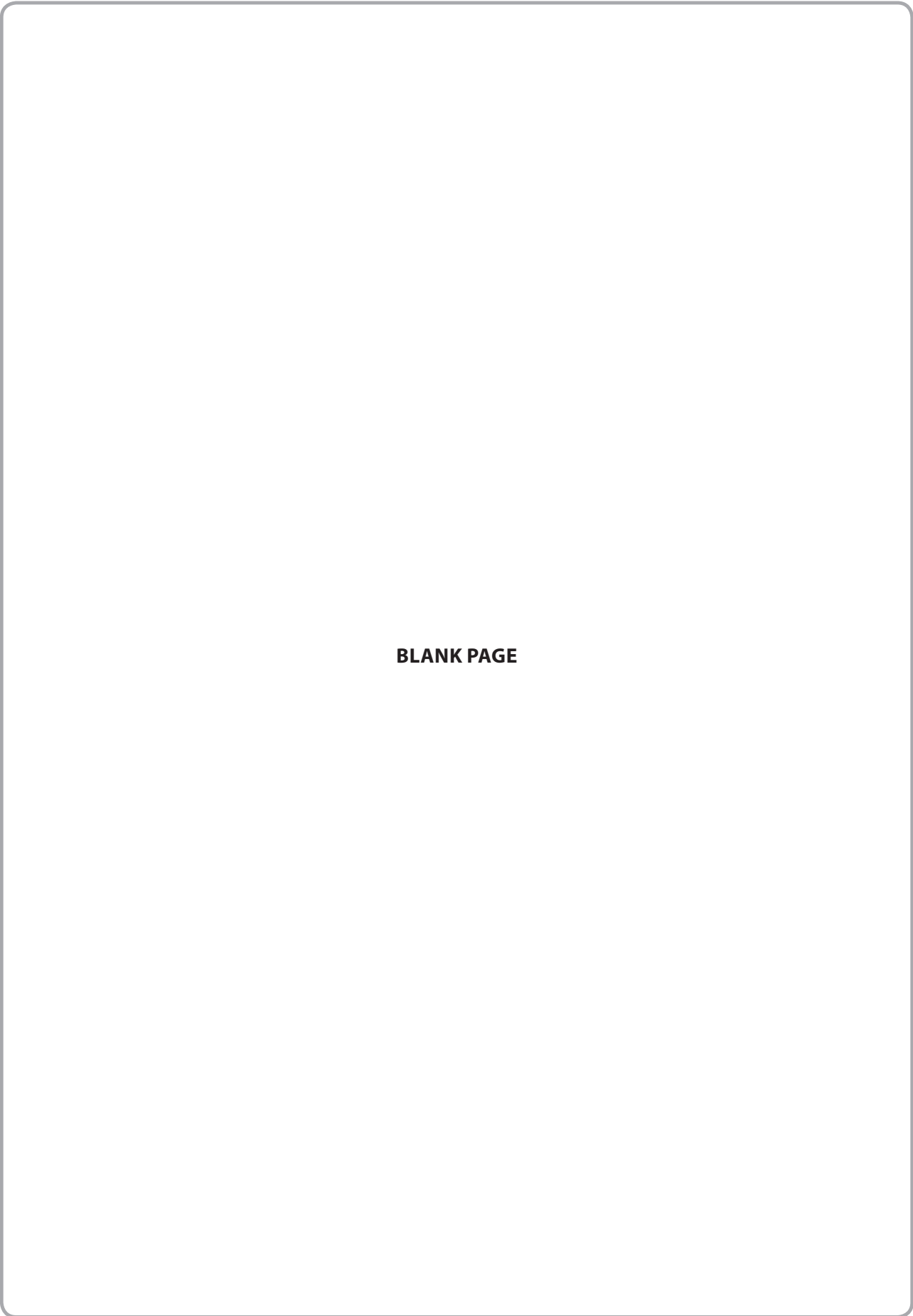
Bank summary for the year ended 31 March 2019

Receipts	\$	Payments	\$
Cash banked	108 750	Drawings	18 500
		Insurance	1 840
		Motor vehicle	30 000
		Trade payables	47 760

Rohan only sells for cash and suspects that his employee had taken cash from the till but was not sure of the amount. Rohan was not insured for theft.

Rohan's total cash takings were \$127 780 before making the following cash payments:
Rent, \$12 360; Drawings, \$6 250

BLANK PAGE



BLANK PAGE

