

Pearson LCCI

Wednesday 12 June 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 parts (a) and (b).

1 (a) Calculate at 30 April 2019 the value of:

(i) inventory

(2)

(ii) trade receivables

(3)

(iii) the change in the allowance for doubtful debts.

(2)

(b) Complete the adjustment columns of the extended trial balance extract on **page 3** at 30 April 2019.

(13)

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Dora
Extended trial balance extract at 30 April 2019

	Balance	Adjustment	
		Debit \$	Credit \$
	\$		
8% bank loan	30 000		
Allowance for doubtful debts	1 920		
Bank interest	2 200		
Carriage inwards	1 010		
Carriage outwards	2 164		
Discount received	1 967		
Equity	85 200		
Opening inventory	17 170		
Other payables	1 255		
Other receivables	867		
Purchases	96 320		
Revenue	181 185		
Trade payables	18 023		
Trade receivables	28 410		
Allowance for doubtful debts – adjustment			
Closing inventory – statement of financial position			
Closing inventory – statement of profit or loss			
Discount allowed			
Irrecoverable debts			
Suspense			

(Total for Question 1 = 20 marks)



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

- 2 (a) State **one** reason why **each** of the following stakeholders may be interested in the financial statements of a business.

(2)

Bank

Supplier

- (b) Complete the following sentence.

(2)

If a business is a going concern assets are shown in the
statement of financial position at value.

- (c) Prepare the disposal account for vehicle B.

Disposal Account

(5)

- (d) Calculate the total depreciation charge for vehicles for the year ended
31 May 2019.

(2)

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- (e) Prepare the motor vehicles – accumulated depreciation account for the year ended 31 May 2019. Balance the account on this date and bring the balance down on 1 June 2019.

Motor Vehicles – Accumulated Depreciation Account

(5)

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- (f) (i) Explain the application of the accruals concept when depreciating non-current assets.

(2)

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- (ii) State **two other** accounting concepts that apply when depreciating non-current assets.

(2)

1

2

(Total for Question 2 = 20 marks)

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

3 (a) State **two** principles of professional ethics.

(2)

1

2

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

(6)

Papa and Romeo
Appropriation account for the nine-month period ended 31 December 2018

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(c) Prepare the revaluation account.

(4)

Revaluation Account

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(d) Prepare the following accounts for the period ended 31 December 2018. Balance the accounts on this date and bring the balances down on 1 January 2019.

(i)

(3)

Capital Account – Romeo

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(ii)

(4)

Current Account – Papa

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(Total for Question 3 = 19 marks)



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

4 (a) Calculate total purchases for the year ended 31 January 2019.

(1)

(b) Prepare the statement of profit or loss for the year ended 31 January 2019 showing the general expenses.

(10)

Lima
Statement of profit or loss for the year ended 31 January 2019

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(c) State **two** advantages of keeping full accounting records.

(2)

1

2

(d) Explain to Lima the implication of having unlimited liability.

(2)

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Yanke, another client, is considering purchasing a delivery vehicle. He will need to take out a loan to purchase the delivery vehicle. He believes that he will be able to meet the monthly loan repayments.

(e) Evaluate whether Yanke is correct.

(5)

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(Total for Question 4 = 20 marks)



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

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

(i) dividends received

(1)

(ii) purchase of long-term investments.

(1)

(b) Calculate the amount received from the rights issue on 1 March 2019.

(2)

(c) Prepare the statement of cash flows for the year ended 30 April 2019.

(12)

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Netic Ltd
Statement of cash flows for the year ended 30 April 2019

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