



**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 31 May 2019. Balance the accounts on that date and bring the balances down on 1 June 2019.

(i)

**Rent and Rates Account**

(7)

(ii)

**Commission Received Account**

(4)

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The profit for the year ended 31 May 2019 was \$36 980 before accounting for rent and rates and commission received.

(b) Calculate the updated profit for the year ended 31 May 2019.

(3)

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(c) State the **two** accounting concepts Anmol has complied with.

(2)

1 .....

2 .....

(d) Identify, indicating with a tick (✓), the effect on the statement of profit or loss if commission received is shown as commission paid.

(2)

	Increase	Decrease	No effect
Gross profit			
Profit for the year			

(Total for Question 1 = 18 marks)



You will need to use the data on **pages 3 and 4** of the Resource Booklet to answer parts (b) and (c).

2 (a) State the type of error made.

(2)

Error	Type of error
A purchase of a non-current asset entered in the purchases account.	
A purchase invoice \$100 was entered in the purchases day book as \$1 000	

(b) Calculate the value of inventory at 30 June 2019.

(1)

(c) Complete the adjustment columns of the extended trial balance extract at 30 June 2019 on **page 5**.

(14)

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<b>Tian</b>			
<b>Extended trial balance extract at 30 June 2019</b>			
	<b>Balance</b>	<b>Adjustments</b>	
	<b>\$</b>	<b>Debit \$</b>	<b>Credit \$</b>
Allowance for doubtful debts	1 340		
Bank	1 715		
Drawings	5 850		
Equity	25 000		
General expenses	44 950		
Motor vehicle – cost	27 500		
Motor vehicle – accumulated depreciation	5 225		
Opening inventory	25 700		
Trade payables	18 950		
Trade receivables	11 500		
10% bank loan			
Allowance for doubtful debts adjustment			
Bank loan interest			
Closing inventory – statement of financial position			
Closing inventory – statement of profit or loss			
Depreciation charge			
Disposal			
Other payables			



P 6 4 2 1 6 A 0 5 1 6

(d) (i) State the accounting concept applied when a business maintains the same accounting policy for depreciation from one accounting period to the next.

(1)

(ii) Explain **one** reason why Tian uses the reducing (diminishing) balance method to depreciate her motor vehicles.

(2)

**(Total for Question 2 = 20 marks)**

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

**3** (a) Prepare Bert's capital account.

(6)

**Capital Account – Bert**

(b) Calculate the balance of Gaetty's capital account on 1 July 2018.

(1)

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(c) Prepare the appropriation account for the nine-month period ended 31 March 2019.

(5)

**Hommer and Gaetty**  
**Appropriation account for the nine-month period ended 31 March 2019**

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(d) Explain **one** reason why the new partnership agreed to allow interest on capital.

(2)

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(e) Prepare an extract of statement of financial position at 31 March 2019 showing the **equity** section only.

(5)

**Hommer and Gaetty**  
**Statement of financial position at 31 March 2019**

**Equity**

**(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 part (a).

**4** (a) Complete the statement of financial position at 30 June 2019.

(14)

**Afzal**  
**Statement of financial position at 30 June 2019**

<b>Assets</b>	\$	\$
<b>Non-current assets</b>		
<b>Current assets</b>		
Inventory		
Trade and other receivables		
Cash and cash equivalents		
<b>Total assets</b>		
<b>Equity and liabilities</b>		
<b>Equity</b>		
Opening balance		
Additional equity		
Profit for the year		
Drawings		
<b>Total equity</b>		
<b>Current liabilities</b>		
Trade and other payables		
Bank loan		
Bank overdraft		
<b>Total equity and liabilities</b>		

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

**5** (a) Calculate the total depreciation charge for the year ended 30 June 2019.

(1)

(b) Prepare the statement to reconcile the profit for the year to net cash from operating activities for the year ended 30 June 2019.

(6)

**Penn Ltd**  
**Reconciliation of profit for the year to net cash from operating activities for the year ended 30 June 2019**

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(c) (i) Calculate the amount of the bank loan.

(4)

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(ii) State **two other** methods of funding the purchase of machinery.

(2)

1 .....

2 .....

(d) Calculate the following ratios correct to two decimal places.

(3)

Ratio	30 June 2019
Profit for the year as a percentage of revenue	
Return on capital employed	
Asset turnover (based on total assets)	



