



**ADVANCED GCE**  
**ACCOUNTING**  
 Company Accounts and Interpretation

**F013**

Candidates answer on the Question Paper

**OCR Supplied Materials:**  
None

**Other Materials Required:**  
None

**SPECIMEN 2010**

**Duration:** 1 hour 30 minutes



Candidate Forename		Candidate Surname	
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Centre Number										Candidate Number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided; however additional paper may be used if necessary.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **80**.
- \* In these two questions/sub-questions, you will be assessed on the quality of your written communication. In one of these questions, the focus will be on your ability to present numerical information legibly and in an appropriate accounting format. In the other, you will be assessed on the legibility and style of writing, the clarity and coherence of your arguments and the accuracy of your spelling, punctuation and grammar.
- This document consists of **12** pages. Any blank pages are indicated.



Answer **all** questions.

- 1 The following balances were extracted from the books of Spice plc on 31 December 2006.

	Dr	Cr
	£	£
Purchases	500,000	
Turnover		1,200,000
Stock	40,000	
Sales returns	8,000	
£1 Ordinary shares		600,000
General administrative expenses	160,000	
General distribution costs	180,000	
Discounts	14,000	2,000
Rent received		24,000
Profit and Loss		38,000
Debtors	58,000	
Creditors		54,000
Land and buildings	800,000	
Office equipment	85,000	
Delivery vehicles	130,000	
Provision for depreciation of office equipment		40,000
Provision for depreciation of delivery vehicles		44,000
General reserve		159,000
Share premium		150,000
Bank	190,000	
Provision for doubtful debts		4,000
Salaries	150,000	
	<u>2,315,000</u>	<u>2,315,000</u>

Additional information:

- (i) The closing stock was valued at £90,000.
- (ii) General administrative expenses prepaid   £6,800  
       General distribution costs owing           £4,000
- (iii) Salaries are split equally between distribution and administration.
- (iv) Rent receivable of £6,200 is outstanding for the year.
- (v) Provision for doubtful debts is to be reduced by £600.



- (vi) Depreciation is to be provided as follows:
  - (a) office equipment 20% per annum on cost
  - (b) delivery vehicles 20% per annum reducing balance method

Delivery vehicles are treated under distribution. Office equipment is split equally between distribution and administration.

- (vii) The directors recommend a transfer to the general reserve of £60,000 and an ordinary share dividend of £70,000.
- (viii) Corporation tax for the year is estimated at £130,000.

**REQUIRED**

(a)\* The Profit and Loss Account for the year ended 31 December 2006 and the Balance Sheet as at 31 December 2006 both in accordance with the minimum required for publication.

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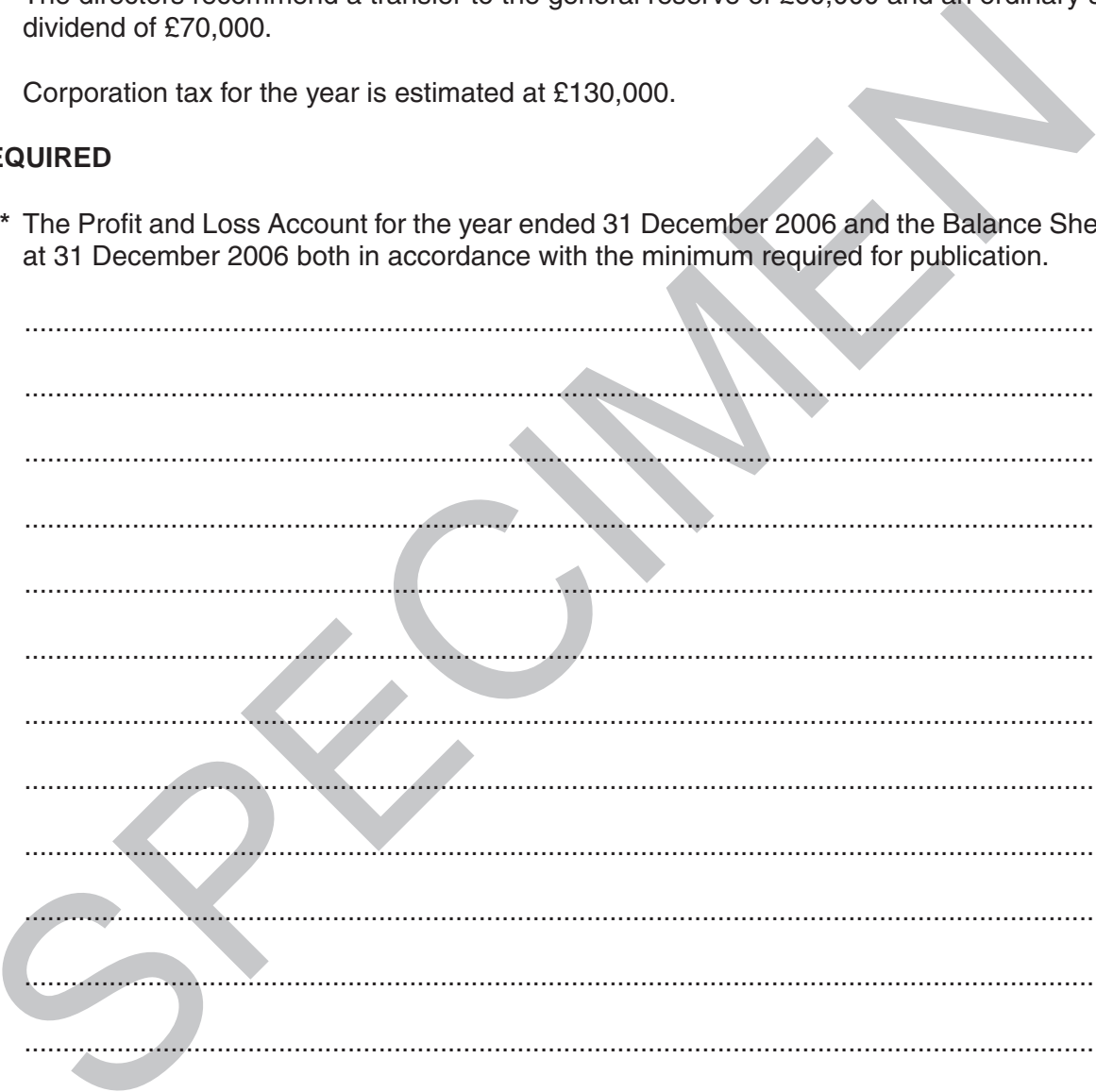
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(b) Explain the importance of the Auditors Report to the shareholders of a plc.

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[4]

**Total Marks [36]**

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