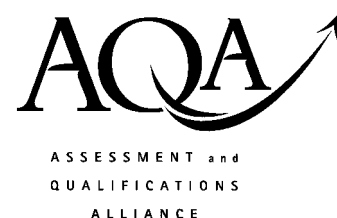


Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

Leave blank

General Certificate of Secondary Education
June 2003



ACCOUNTING
Foundation Tier
Paper 2

3122/2F

Tuesday 24 June 2003 1.30 pm to 3.30 pm

F

<p>No additional materials are required. You may use a calculator.</p>

For Examiner's Use			
Number	Mark	Number	Mark
1			
2			
3			
4			
5			
Total (Column 1)	→		
Total (Column 2)	→		
Quality of Written Communication			
TOTAL			
Examiner's Initials			

Time allowed: 2 hours

Instructions

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions in the spaces provided.
- Do all rough work in this book. Cross through any work you do not want marked.

Information

- The maximum mark for this paper is 126. In addition to the mark allocations indicated within the paper, you will be awarded up to 6 marks for your ability to organise and present information, ideas, descriptions and arguments clearly and logically. Account will be taken of your use of grammar, punctuation and spelling.
- Mark allocations are shown in brackets.

Advice

- In all calculations, show clearly how you work out your answer.

Answer **all** questions.

1

Total for this question: 32 marks

David Ford is an electrical wholesaler. Information about some of the business's transactions for February 2003 is given below.

On 8 February 2003 David Ford sent two invoices to customers. The details were as follows.

	£
Invoice number 00121 to Melchester Electrical Supplies	
10 personal stereos model A43 at £40 each	400.00
plus VAT	<u>70.00</u>
	<u>470.00</u>

	£
Invoice number 00122 to Town Traders Ltd	
12 personal stereos model AT79 at £70 each	840.00
6 micro hi-fis model T24 at £90 each	<u>540.00</u>
	1 380.00
Less trade discount 20%	<u>276.00</u>
	1 104.00
plus VAT	<u>193.20</u>
	<u>1 297.20</u>

- (a) Record the information from the two invoices in the sales journal.

Sales Journal

Date	Customer	Invoice No	Goods		VAT		Total	
			£	p	£	p	£	p

(7 marks)

Account of PCD Manufactures Ltd

PCD Manufactures Ltd is one of David Ford's suppliers. The following information relates to the account of this creditor.

- Feb 1 Balance, amount owed to PCD Manufactures Ltd by David Ford, £600.
- 14 David Ford settled his account with PCD Manufactures Ltd by cheque, £600.
- 23 Invoice sent by PCD Manufactures Ltd to David Ford for goods £1 000 plus VAT £175.
- 27 David Ford received a credit note from PCD Manufactures Ltd for £160 plus VAT £28, for goods returned.

- (b) Record the above information in the account of PCD Manufactures Ltd.

Note: bring down the balance on the account at 1 March 2003.

PCD Manufactures Ltd Account

Date		£	p	Date		£	p

(6 marks)

QUESTION 1 CONTINUES ON THE NEXT PAGE

Turn over ►

Cash Book

David Ford maintains a three-column cash book. The transactions for March 2003 have been recorded.

Debit						Cash Book						Credit	
Date	Details	Folio	Discount £	Cash £	Bank £	Date	Details	Folio	Discount £	Cash £	Bank £		
Mar 1	Balance	b/d		800		Mar 1	Balance	b/d				3 000	
Mar 5	T Wolf		75		1 425	Mar 3	Cleaning			40			
Mar 8	Sales				2 025	Mar 8	A Kalifa		100			1 900	
Mar 17	F Townson		250		4 750	Mar 11	Motor expenses			30			
Mar 18	Cash	C			700	Mar 18	Bank	C		700			
Mar 30	Sales			55		Mar 20	Wages					350	
						Mar 23	B Hughes		40			760	
						Mar 27	Drawings					400	
						Mar 31	Balance	c/d		85		2 490	
			325	855	8 900				140	855	8 900		
April 1	Balance	b/d		85	2 490								

Answer the questions on the following pages.

(c) What does the balance b/d of £3 000 on 1 March represent?

.....
(1 mark)

(d) (i) Do the columns headed "Discount" refer to cash discount or trade discount?

.....
(1 mark)

(ii) Give a reason for your choice of answer in (d) (i).

.....
.....
(2 marks)

(e) (i) Is the discount on 5 March discount allowed or discount received?

.....
(1 mark)

(ii) Give a reason for your choice of answer in (e) (i).

.....
.....
(2 marks)

(iii) What percentage is the discount in (e) (i)?

.....
(1 mark)

(f) (i) Is the discount on 8 March discount allowed or discount received?

.....
(1 mark)

(ii) Give a reason for your choice of answer in (f) (i).

.....
.....
(2 marks)

(g) (i) What does the C in the Folio column on 18 March stand for?

.....
(1 mark)

QUESTION 1 CONTINUES ON THE NEXT PAGE

Turn over ►

(ii) Explain why there are two entries in the Cash Book on 18 March.

.....

 (1 mark)

(h) What do the drawings on 27 March represent?

.....

 (2 marks)

(i) Name and complete the following accounts to show where the totals of £325 and £140 will be transferred to at the end of March.

<div style="border: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>							Account		
Date			£	p	Date			£	p

<div style="border: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>							Account		
Date			£	p	Date			£	p

(4 marks)

2

Total for this question: 21 marks

The following list of balances appeared in the books of W Boardman at 31 March 2003.

	£
Sales	492 700
Purchases	240 000
Carriage inwards	1 200
Carriage outwards	1 500
Discounts allowed	2 800
Discounts received	2 400
Returns inwards	7 000
Returns outwards	8 000
Vehicles at cost	70 000
Trade debtors	50 000
Motor expenses	24 000
Insurance	12 000
Stock at 1 April 2002	33 000
Electricity	16 000
Salaries	102 000
Sundry expenses	4 850
Rent received	7 000

The following additional information is also available.

- Stock at 31 March 2003 was £35 000.
- Provide for depreciation on cost as follows: vehicles 20% p.a.
- Electricity of £4 000 was outstanding at 31 March 2003.
- Insurance of £3 000 was prepaid at 31 March 2003.

4

Total for this question: 21 marks

The following information relates to the business of Diane Fleming for the month ending 31 March 2003.

	£	
Sales Ledger balances on 1 March 2003	14 700	(Dr)
Totals for the Month:		
Cheques received from debtors	42 430	
Returns inwards	1 200	
Credit sales	47 420	
Discount allowed	900	
Dishonoured cheque	176	
Bad debts written off	217	

- (a) Prepare Diane Fleming's Sales Ledger Control Account for the month of March 2003. Balance the account at the end of the month.

Sales Ledger Control Account

2003		£		2003	£

(8 marks)

The following further information is available for the month of March 2003.

- (b) Prepare Diane Fleming’s Purchase Ledger Control account for the month of March 2003. Balance the account at the end of the month.

	£	
Purchase Ledger balances on 1 March 2003	12 000	(Cr)
Totals for the Month:		
Returns outwards	710	
Payments to creditors	35 070	
Discount received	1 300	
Purchases on credit	39 805	

Purchases Ledger Control Account

2003		£		2003		£

(6 marks)

- (c) Briefly explain **two** reasons why control accounts are used.

1.

2.

(4 marks)

QUESTION 4 CONTINUES ON THE NEXT PAGE

Turn over ►

(d) Advise Diane as to reasons why the sales ledger control account balances and the total of the individual sales ledger accounts may not agree.

.....

.....

.....

.....

.....

.....

(3 marks)

21

