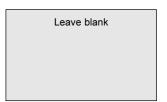
Surname				Other Names					
Centre Nur	nber					Candidate	Number		
Candidate	Signat	ure							



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



No additional materials are required.

You may use a calculator.

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.

	For Examiner's Use					
Number	Mark	Number	Mark			
1						
2						
3						
4						
5						
Total (Column	1)	-				
Total (Column	2)	>				
Quality of Commun						
TOTAL						
Examine	r's Initials					

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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 plus VAT	400.00 70.00 470.00
L	£
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	540.00
	1 380.00
Less trade discount 20%	276.00
	1 104.00
plus VAT	193.20
•	1 297.20

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

Sales Journal

Date	Customer	Invoice No	Goods	}	VAT		Total	
Date	Customer	211/0100 1/0		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	2	£	p

(6 marks)

QUESTION 1 CONTINUES ON THE NEXT PAGE

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	С			700	Mar 18	Bank	С		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.

What	does the balance b/d of £3 000 on 1 March represent?	
•••••		(1 mark)
(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)
(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)
(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)
(i)	What does the C in the Folio column on 18 March stand for?	
		(1 mark)

QUESTION 1 CONTINUES ON THE NEXT PAGE

•••••		•••••	•••••	•••••	••••••	••••••			1 m
What do the	drawings on 2	27 March rep	present?						
			•••••	••••••	•••••	•••••		• • • • • • • • • • • • • • • • • • • •	•••••
•••••	••••••	••••••	•••••	••••••	•••••	• • • • • • • • • • • • • • • • • • • •	••••••	(2	ma
0 1							ls of £325 a		
ransterred to	o at the end of	March.					Account]	
Date	o at the end of	March.	р	Date				<u>£</u>	
	o at the end of		p]	
	o at the end of		p]	
	o at the end of		p				Account]	
	o at the end of		p]	
Date	o at the end of	£		Date			Account	£	
Date	o at the end of	£		Date			Account	£	

(4 marks)



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.

2

Prepare W Boardman's trading and profit and loss accounts for the year ended 31 March 2003.

W Boardman Trading and Profit and Loss Account for the year ended 31 March 2003

(21 marks)



3

Total for this question: 30 marks

(2 marks)

RoHoMa Ltd has prepared the following balance sheet which contains a number of errors.

RoHoMa Ltd Balance Sheet for the year ended 31 December 2002

		for t	he year ended	1 31 December 2002	
			£		£
	Sha	re capital and reserves	123 000	Premises	110 000
		tor vehicles	28 000	Stock at 31 Dec 2002	11 000
		pentures	55 000	Stock at 1 Jan 2002	16 000
	Cas		1 000	Machinery	40 000
		nk loan: repayable 2005	6 000	Retained profit	23 500
		de debtors	10 000	Balance at bank	4 000
	IIu	de decició	10 000	Expenses owing	500
				Trade creditors	7 000
				Fixtures and fittings	11 <u>000</u>
			<u></u>	Tixtures and fittings	
			£223 000		£223 000
		in briefly what is meant			
	(i)	Fixed assets	•••••		
		•••••	•••••		
					(2 marks)
((i)	Current accets			
((ii)	Current assets	•••••	•••••	•••••
		•••••	•••••		•••••
		•••••	•••••	•••••	•••••
		•••••	•••••	•••••	(2 m anka)
					(2 marks)
(i	iii)	Current liabilities			
(-)				
		••••••	•••••		••••••
			•••••		
			•••••		(2 marks)
					(2 mans)
(i	iv)	Long-term liabilities			
`		-			

(b)	Prepare a corrected balance sheet for RoHoMa Ltd showing clearly:
	(i) Fixed assets;
	(ii) Current assets;
	(iii) Current liabilities;
	(iv) Long-term liabilities;
	(v) Share capital and reserve.
	(22 marks)



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)

4

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.

a.	
12 000	(Cr)
710	
35 070	
1 300	
39 805	
	710 35 070 1 300

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

(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)



5

Total for this question: 16 marks

The following are extracts from the cash book and bank statement of Joanne Dyas for the month of April 2003.

Debit	Cash book (Bank columns only)				Credit
		£			£
April 1	Balance b/d	3 100	April 8	D Lennon	250
9	S McLean	123	15	S Patterson	1 800
20	M Hardie	370	30	G Britton	400
29	A Archibald	25	30	Balance c/d	1 168
		3 618			3 618
May 1	Balance b/d	1 168			

Bank Statement

		Debit £	Credit £	Balance £
April 1	Balance b/d			3 100 cr
10	Cheque	250		2 850 cr
11	Deposit		123	2 973 cr
17	Credit transfer		97	3 070 cr
18	Cheque	1 800		1 270 cr
23	Deposit		370	1 640 cr
27	Standing order	240		1 400 cr
29	Bank charges	30		1 370 cr

(a) Bring the cash book up to date to show a corrected bank balance.

	£		£

(5 marks)

ank statement as at 30 April 2003.	ted cash book balance with the balance shown b

(11 marks)



END OF QUESTIONS