

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

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General Certificate of Secondary Education  
June 2003



**ACCOUNTING**  
**Higher Tier**  
**Paper 1**

**3122/1H**

Wednesday 18 June 2003 9.00 am to 10.15 am

**H**

<p><b>No additional materials are required.</b> You may use a calculator.</p>
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Time allowed: 1 hour 15 minutes

**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 the answer book. Cross through any work you do not want marked.

**Information**

- The maximum mark for this paper is 84. This includes up to 4 marks for Quality of Written Communication.
- 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			
6			
7			
8			
Total (Column 1)	→		
Total (Column 2)	→		
Quality of Written Communication			
TOTAL			
Examiner's Initials			

Answer **all** questions in the spaces provided.

1

**Total for this question: 6 marks**

The following information was taken from the accounting records of J Bells Ltd.

**Sales Journal (Day Book)**

<b>Date 2003</b>	<b>Customer</b>	<b>Goods £</b>	<b>VAT £</b>	<b>Net £</b>
14 May	A Dancer and Co Ltd	2 600	455	3 055

At 1 May 2003, A Dancer and Co Ltd owed J Bells Ltd £4 650.

On 18 May 2003, A Dancer and Co Ltd sent a cheque for £4 570 to J Bells Ltd claiming £80 discount.

Using the ledger account below, write up the account for A Dancer and Co Ltd as it would appear in the books of J Bells Ltd, bringing down the balance on 1 June 2003.

**A Dancer and Co Ltd Account**

<b>Date</b>	<b>Details</b>	<b>£</b>	<b>Date</b>	<b>Details</b>	<b>£</b>

(6 marks)

6

2

**Total for this question: 8 marks**

The treasurer of a sports club is preparing financial statements to be sent to members. Indicate, by placing a tick (✓) in the appropriate column, where each item should appear.

Item (a) has been completed as an example.

Item	Bar Trading Account		Income and Expenditure Account		Balance Sheet
	Debit	Credit	Debit	Credit	
(a) <i>Bank balance</i>					✓
(b) Subscriptions for the year					
(c) Bar sales					
(d) Opening bar stock					
(e) Equipment					
(f) Accumulated fund					
(g) Bar staff wages					
(h) Rent paid for the year					
(i) Subscriptions received in advance for next year					

(8 marks)

8
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**TURN OVER FOR THE NEXT QUESTION****Turn over ►**

3

Total for this question: 11 marks

In the following manufacturing account insert the correct figures, words or phrases in the boxes.

<b>Omar Mubarak Ltd</b>			
Manufacturing account	(a)	31 December 2002	
	£	£	£
Opening stock		20 000	
Purchases of raw materials		250 000	
Carriage	(b)	10 000	
		<u>280 000</u>	
Closing stock		(c)	
Cost of	(d)		250 000
Direct labour			200 000
(e)			(f)
(g)			
Supervisors' salaries	50 000		
Depreciation of machinery	80 000		
Factory light and heat	50 000		
Rent and rates	40 000		
			(h)
			(i)
Work in progress at 1 January 2002			(j)
Work in progress at 31 December 2002			(25 000)
(k)			<u>665 000</u>

(11 marks)

4

**Total for this question: 9 marks**

A trial balance has been prepared but the following items have not been included.

	£
Purchases	235 000
Machinery	120 000
Bank overdraft	53 000
Provision for doubtful debts	4 000
Returns inwards	2 000
Carriage outwards	3 000
Rent received	25 000
Bad debts written off	10 000
Carriage inwards	20 000

From the list above complete and total the following trial balance by inserting the appropriate amounts in the correct column.

**Trial Balance as at 31 March 2003**

		Dr £	Cr £
Total of trial balance entries made so far		325 000	633 000
(a)	Purchases		
(b)	Machinery		
(c)	Bank overdraft		
(d)	Provision for doubtful debts		
(e)	Returns inwards		
(f)	Carriage outwards		
(g)	Rent received		
(h)	Bad debts written off		
(i)	Carriage inwards		

(9 marks)

9

**TURN OVER FOR THE NEXT QUESTION**

**Turn over** ►

5

**Total for this question: 17 marks**

Select the information required from the following list of balances to produce a Balance Sheet as at 31 May 2003 for United Boxes plc. The Balance Sheet should show a figure for working capital.

	£
Machinery (at cost)	80 000
Issued ordinary shares	75 000
Vehicles (at cost)	50 000
Opening stock	10 000
General Reserve	25 000
Debtors	30 000
Closing stock	15 000
Bank overdraft	2 000
Creditors	17 000
Provision for depreciation:	
Machinery	20 000
Vehicles	15 000
Provision for doubtful debts	500
Proposed dividends	10 000
Profit and Loss Account balance as at 31 May 2003	10 500



6

**Total for this question: 13 marks**

E Sockett, electrical retailers, are in the process of converting their manual bookkeeping system to a computerised system.

(a) Explain **two** advantages they are likely to experience by using a computerised bookkeeping system.

1. ....

.....

.....

2. ....

.....

.....

*(4 marks)*



- (b) Prepare the Purchase Ledger Control account for the month of May 2003 by selecting the relevant information from the following totals extracted from their accounting records. Bring down the balance at 1 June 2003.

	<b>£</b>
Amount owed to creditors at 1 May 2003	42 000
Totals for the month of May:	
Credit purchases	80 000
Returns outwards	15 000
Returns inwards	7 000
Discounts allowed	12 000
Discounts received	5 000
Cheques sent to creditors	65 000
Cash received from debtors	72 000

**Purchase Ledger Control Account**

Date	Details	£	Date	Details	£

*(7 marks)*

- (c) The total of the schedule of creditors as at 31 May 2003 extracted from the individual accounts in the purchase ledger was £37 000. Compare this with the balance on the control account and explain what it means.

.....

.....

*(2 marks)*

**TURN OVER FOR THE NEXT QUESTION**

**Turn over** ►

7

**Total for this question: 10 marks**

- (a) Classify each of the following items by inserting a tick (✓) in the appropriate column. Item (i) has been completed as an example.

Item		Capital expenditure	Revenue expenditure	Capital income	Revenue income
(i)	<i>Machinery</i>	✓			
(ii)	Sales of goods				
(iii)	Depreciation for the year				
(iv)	Proceeds from disposal of fixed asset				
(v)	Extension to premises				
(vi)	Rent received				
(vii)	Delivery vehicle				

(6 marks)

- (b) Explain **two** reasons why it is necessary to depreciate fixed assets.

1. ....  
 .....  
 .....
2. ....  
 .....  
 .....

(4 marks)

**8****Total for this question: 6 marks**

Answer the following questions in the spaces provided.

- (a) What term describes the excess of income over expenditure for a club or society?

.....  
(1 mark)

- (b) What statement compares a business's cash book with its bank statement?

.....  
(1 mark)

- (c) Under which heading on a Limited Company's Balance Sheet would you find debentures?

.....  
(1 mark)

- (d) Which book is used to record small items of expenditure?

.....  
(1 mark)

- (e) Which account is used to calculate the profit or loss when a fixed asset is sold?

.....  
(1 mark)

- (f) Which account shows how the profits of a company are distributed?

.....  
(1 mark)

6

**END OF QUESTIONS**