

Surname						Other Names					
Centre Number						Candidate Number					
Candidate Signature											

Leave blank
-------------

General Certificate of Secondary Education  
June 2004



**ACCOUNTING**  
**Foundation Tier**  
**Paper 1**

**3122/1F**

**F**

Wednesday 23 June 2004 9.00 am to 10.15 am

**No additional materials are required.**  
You may use a calculator.

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			

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.

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

1

**Total for this question: 8 marks**

Show, by placing **one** tick (✓) in the appropriate column, where each of the following would appear in the final accounts of a Partnership. The first one has been completed as an example.

Item	Trading Account	Profit & Loss Account	Appropriation Account	Balance Sheet
(a) <i>Interest on capital</i>			✓	
(b) Vehicles				
(c) Sales				
(d) Opening stock				
(e) Debtors				
(f) Partners' salaries				
(g) Shares of profit				
(h) Rent received				
(i) Carriage outwards				

(8 marks)

8

2

**Total for this question: 10 marks**

The following is a trial balance of a company after the production of the trading and profit and loss accounts for the year ended 31 March 2004.

	<b>£</b>	<b>£</b>
Net Profit for the year		65 000
Fixed Assets	200 000	
Current Assets	120 000	
General Reserve		25 000
Balance of profits b/f		20 000
Current liabilities		60 000
Issued share capital:		
100 000 £1 ordinary shares		100 000
50 000 £1 10% preference shares		50 000
	320 000	320 000
	320 000	320 000

The directors have decided to pay the preference dividend for the year and propose an ordinary dividend of 20p per share. They also agree to transfer £10 000 to the general reserve.

Select the relevant items from the information above and prepare the Appropriation Account to comply with these instructions. A balance sheet is **not** required.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(10 marks)



Turn over ►

3

**Total for this question: 15 marks**

The following accounting statements relating to The Country Dancing Social Club have several items and figures missing.

(a) Insert the relevant word or figures in the shaded areas.

**The Trading Account for the year ended 31 March 2004**

	£	£
Sales		
Less Cost of goods sold:		
Opening stock	5 000	
Purchases	<u>15 000</u>	
Closing stock	<u>7 500</u>	
Gross Profit		<u><u>10 000</u></u>

The  and  Account  
for the year ended 31 March 2004

	£	£
Subscriptions for the year		15 000
Profit from fundraising activities		5 000
Gross profit b/d		<u>10 000</u>
Expenses for the year		
Rent		
Costumes	6 000	
Travelling costs	4 000	
Sundry expenses	<u>2 500</u>	<u>22 500</u>

(9 marks)

(b) A rival dancing club is to open in the area soon. The treasurer is worried that the club may lose members.

(i) Advise the club of **two** financial actions it could take to keep its current membership.

(ii) Analyse the effect that **each** of your suggestions might have on the club's surplus.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Turn over ►

4

**Total for this question: 10 marks**

State the accounts which should be debited and credited when entering the following transactions in the appropriate double entry accounts. The first one has been done as an example.

<b>Transaction</b>	<b>Account to be debited</b>	<b>Account to be credited</b>
(a) <i>Purchase of machinery, paying by cheque</i>	<i>Machinery</i>	<i>Bank</i>
(b) Payment of wages by cash		
(c) Cash sales paid directly into bank		
(d) Receipt of rent in cash		
(e) J. Lin, the owner, withdrew cash from the bank for her own use		
(f) Return of faulty goods to T. Sadat, a supplier		

*(10 marks)*

5

Total for this question: 6 marks

Study the information below and answer the questions that follow.

**Manufacturing Account of Bernard Brothers and Co Ltd  
for the year ended 31 March 2004**

	£	£
Opening stock	15 000	
Purchases	60 000	
Carriage	2 500	
	77 500	
Closing stock	(7 500)	70 000
Direct Labour		60 000
Rent and rates	15 000	
Depreciation of machinery	13 000	
Supervisor's salary	18 000	
Power costs	12 000	58 000
		188 000
Opening stock		12 000
Closing stock		(8 000)
		192 000

(a) What is the total of the factory overheads for the year?

.....

(b) What type of closing stock is valued at £8 000 at the end of the year?

.....

(c) What is the Prime Cost for the year?

.....

(d) What is the factory cost of goods produced for the year?

.....

(e) What is the cost of raw materials used?

.....

(f) Is the carriage inwards or outwards?

.....

(6 marks)

6

Turn over ►

6

**Total for this question: 11 marks**

At 1 January 2003, the rent account of Dixon's Gnome Factory showed that £500 rent had been paid in advance, as shown.

During 2003, the following payments were made by cheque.

13 February	£950
17 July	£800
19 September	£700
31 October	£850

At the end of the financial year, 31 December 2003, £600 rent had been paid in advance.

Complete the Rent Account below, for the year ended 31 December 2003. Show clearly the amount transferred to the Profit and Loss Account. Bring down the balance as at 1 January 2004.

**Rent Account**

<b>Date</b>	<b>Details</b>	<b>£</b>	<b>Date</b>	<b>Details</b>	<b>£</b>
2003			2003		
1 Jan	Balance b/d	500			

*(11 marks)*

11
----



7

**Total for this question: 6 marks**

Choose from the following list A – H the **one** item which **best** describes the meaning of each entry shown in the Cash Book below. Enter the letter corresponding to the description of your choice in the space provided at the side of each entry.

NB Not all letters will be required.

- A The amount of the bank overdraft
- B Cash sales paid directly into the bank
- C The balance of cash in hand
- D Discount received from a creditor for prompt payment
- E Cash sales
- F Discount allowed to a debtor for prompt payment
- G Cash paid into the bank
- H A cheque received from a debtor

<b>CASH BOOK (debit side only)</b>			
	<b>Discount £</b>	<b>Cash £</b>	<b>Bank £</b>
May 1 Balance b/d		20 (.....)	
May 2 K. Singh	15 (.....)		135
May 3 Sales		250 (.....)	
May 4 Cash			100 (.....)
May 5 Sales			200 (.....)
May 6 Balance c/d			20 (.....)
	15	270	455

(6 marks)

6

**Turn over** ►

8

**Total for this question: 14 marks**

Rosemary Wild prepared the following trading account.

**The Trading Account for the year ended 31 May 2004**

	£	£
Sales		540 000
Less Opening stock	32 000	
Purchases	<u>356 000</u>	
	388 000	
Closing stock	<u>28 000</u>	<u>360 000</u>
Gross Profit		<u><u>180 000</u></u>

(a) State how the following are calculated.

(i) Rate of stock turnover

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

(ii) Mark-up

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

(b) Using figures from the trading account, calculate the following.

(i) Rate of stock turnover

.....  
 .....  
 (3 marks)

(ii) Mark-up

.....  
 .....  
 (3 marks)

For 2003 the corresponding figures for Rosemary's business were:

Rate of turnover 8 times p.a.  
Mark-up 25%

(c) Identify which year produced the better performance. Give **two** reasons to support your choice.

.....

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

**END OF QUESTIONS**

**THERE ARE NO QUESTIONS PRINTED ON THIS PAGE**