

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

Leave blank

General Certificate of Secondary Education
June 2004



ACCOUNTING
Higher Tier
Paper 1

3122/1H

H

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

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>10 000</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)

4

Total for this question: 4 marks

A friend is considering investing in shares in a Limited Company. He cannot decide whether to buy ordinary shares or preference shares. Explain **two** differences between ordinary shares and preference shares to help him decide.

.....

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

4

5

Total for this question: 8 marks

The table below gives selected details relating to the bookkeeping system for the business owned by Barbara Clark. Complete the table by entering the appropriate information in the blank spaces provided. The first one has been completed as an example.

	Source document	Item	Book of original entry	Account to be debited	Account to be credited
<i>(a)</i>	<i>Cheque stub</i>	<i>Rent</i>	<i>Cash book</i>	<i>Rent</i>	<i>Bank</i>
<i>(b)</i>		Goods returned to Brown Ltd			
<i>(c)</i>		Vehicle purchased on credit from Bristol Motors			

(8 marks)

8

7

Total for this question: 14 marks

The following items remained in the trial balance of Neil Andrews at 31 March 2004 after production of the trading account.

	£	£
Gross Profit		12 577
Wages	4 070	
Vehicle running costs	1 636	
Capital		15 716
Debtors and Creditors	2 337	1 472
Discount received		350
Commission	780	
Drawings	3 412	
Rent and rates	951	
Vehicles	5 800	
Heating and lighting	2 070	
Stock	8 500	
Cash in hand	642	
Bank balance		186
Carriage outwards	103	
	<u>30 301</u>	<u>30 301</u>

Additional information at 31 March 2004:

£500 was owed for wages;

£33 rent was paid in advance;

vehicles should be depreciated by 25%;

an analysis of the debtors revealed that £337 should be written off as bad;

it was decided to create a provision for doubtful debts at 2% of the remaining debtors.

8

Total for this question: 10 marks

Fred Stone prepared the following Balance Sheet at the end of his business's accounting year.

It contains certain errors and omissions.

Balance Sheet for the year ended 31 May 2004

	£	£
FIXED ASSETS		
Motor vehicles at net book value		45 000
CURRENT ASSETS		
Stock	4 000	
Debtors	6 500	
Cash at bank	3 500	
	<u>14 000</u>	
CURRENT LIABILITIES		
Creditors	<u>4 000</u>	
		<u>18 000</u>
		<u>27 000</u>
CAPITAL		
Opening balance		41 000
Net Profit for the year		25 000
		<u>16 000</u>
Drawings		11 000
		<u>27 000</u>

On checking the accounts it was discovered that the following transactions, which occurred during May, had not been recorded.

- A vehicle, included in the motor vehicles figure above at its net book value of £2500, had been sold for £1800. The sale proceeds had been paid into the bank account.
- Fred had taken £600 cash from the bank account for his own use.
- Purchase of goods on credit for resale for £750 had been omitted. At 31 May 2004, these goods had not been sold but had not been included in the stock take.

THERE ARE NO QUESTIONS PRINTED ON THIS PAGE