

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

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General Certificate of Secondary Education
June 2005



ACCOUNTING
Foundation Tier
Paper 2

3122/2F

F

Monday 27 June 2005 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 the answer 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 Written Communication			
TOTAL			
Examiner's Initials			

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

1

Total for this question: 29 marks

Ronika Begum owns a wholesale business. The following is an extract from her records of goods supplied to, and returns from, customers.

Sales book

Date		Invoice No	Goods		VAT		Total	
			£	p	£	p	£	p
2	XTC Ltd	1008	200	00	35	00	235	00
16	ELO plc	1018	240	00	42	00	282	00
28	XTC Ltd	1030	150	00	26	25	176	25
30	Total		590	00	103	25	693	25

Sales returns book

Date		Credit Note No	Goods		VAT		Total	
			£	p	£	p	£	p
6	XTC Ltd	C38	20	00	3	50	23	50
23	ELO plc	C42	60	00	10	50	70	50
30	Total		80	00	14	00	94	00

- (a) Complete and balance the account of customer XTC Ltd on 30 April 2005, bringing the balance down on 1 May 2005.

XTC Ltd account

Dr				Cr			
Date		£	p	Date		£	p
April 1	Balance b/d	300	00	April			

(5 marks)

(b) Ronika has sent an invoice to XTC Ltd. Explain the purpose of this document.

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(3 marks)

(c) Ronika has sent a credit note to XTC Ltd. Explain the purpose of this document.

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(3 marks)

(d) Ronika will send another business document to XTC Ltd on 30 April 2005. Identify what document this will be and explain the purpose of the document.

Document

Purpose

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(4 marks)

Turn over ►

- (e) Ronika keeps her Petty Cash Book using the imprest system, the imprest being £50. For the month of April 2005, her petty cash transactions were as follows:

		£
April 4	Paid cleaner	10.00
7	Bought petrol	5.00
13	Bought cleaning materials	6.25
21	Bought stamps	4.20
23	Paid bus fare	1.25
24	Received cash personal telephone call	1.00
29	Bought envelopes	5.60

Enter these transactions into her petty cash book and balance it at the 30 April 2005. Bring the balance down on 1 May 2005 and restore the imprest at that date.

Ignore VAT.

2

Total for this question: 31 marks

David Stokoe has drawn up the following trial balance at 31 March 2005. It contains a number of errors.

Trial Balance at 31 March 2005

	Dr	Cr
	£	£
Sales	450 000	
Purchases		290 000
Capital		94 300
Drawings	43 000	
Carriage inwards	4 000	
Carriage outwards	3 000	
Discounts received	1 500	
Discounts allowed		2 300
Office equipment at cost		24 000
Fixtures and fittings at cost		13 000
Provision for depreciation office equipment	4 800	
Provision for depreciation fixtures and fittings		2 600
Premises		80 000
Debtors		50 000
Returns inwards		2 000
Returns outwards	1 000	
Insurance	8 000	
Stock as at 1 April 2004	30 000	
Stock as at 31 March 2005		26 000
Heat and lighting	6 000	
Wages and salaries		35 000
Creditors	40 000	
Bank (overdraft)	12 000	
Cash	1 900	
Sundry expenses	14 000	
	<u>619 200</u>	<u>619 200</u>

(b) State and explain **two** types of error that will not be identified by the preparation of a trial balance.

Error 1

Explanation

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(3 marks)

Error 2

Explanation

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(3 marks)

TURN OVER FOR THE NEXT QUESTION

Turn over ►

3**Total for this question: 20 marks**

The following list of balances appeared in the books of CID Ltd at 31 March 2005.

	£
Sales	500 000
Returns inwards	3 000
Stock as at 1 April 2004	24 000
Purchases	195 000
Carriage inwards	5 600
Stock as at 31 March 2005	26 000
Carriage outwards	2 400
Discounts allowed	2 200
Motor expenses	12 000
Insurance	6 000
Heating and lighting	8 000
Sundry expenses	1 200
Wages	32 000
Bad debts	2 000
Director's remuneration	15 000

The following additional information is available:

1. insurance of £500 has been paid in advance;
2. sundry expenses of £300 are owing.

(b) Explain why stock of raw materials is entered in the manufacturing account of REM Ltd instead of the trading account.

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(3 marks)

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TURN OVER FOR THE NEXT QUESTION

Turn over ►

5**Total for this question: 28 marks**

On 1 May 2005, Trudy Su had a balance of cash in hand of £200, and £500 in her business bank account. Amounts received and paid during May 2005 were:

May 2	Paid rent in cash £100
5	Cash Sales paid directly into the bank £400
7	Received cheque from G Britton £630 in full settlement of a debt of £700
9	Paid postage in cash £50
13	Paid S Bonnes by cheque £570 in full settlement of a debt of £600
17	D Whyte settled her debt of £400 by cheque after deducting a 5% discount
21	Withdrew £300 from the bank for office use
23	Paid rent in cash £100
26	Paid J McBride by cheque £760, having deducted a discount of £40
29	Trudy withdrew £230 from the business bank account for her own personal use
30	Cash sales £250

- (b) Trudy has allowed discounts to G Britton and D Whyte. Explain what this discount is and why Trudy has allowed this discount to these debtors.

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(4 marks)

28

END OF QUESTIONS