

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

Leave blank

General Certificate of Secondary Education
June 2005



ACCOUNTING
Higher Tier
Paper 1

3122/1H

Monday 20 June 2005 9.00 am to 10.15 am

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

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: 5 marks

- (a) Name the accounting statement used to check the business cash book against the bank statement.

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.....

(1 mark)

- (b) What can be arranged to ensure that a regular monthly payment is made from a bank account?

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(1 mark)

- (c) What term describes a negative balance on a bank account?

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(1 mark)

- (d) What term describes the payment by a debtor directly into a business account?

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(1 mark)

- (e) What term describes a cheque which has been paid into an account but which the bank refuses to pay?

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.....

(1 mark)

5

2

Total for this question: 9 marks

Select the word or phrase which **best** fits each of the spaces in the passage below. Write your chosen words or phrases in the spaces provided. Select from the list given, using a word or phrase **once** only.

Appropriation Account	Debit	Profit
Balance Sheets	Drawings	Profit and Loss Account
Capital	Interest on capital	Salaries
Credit	Interest on drawings	Trading account
Current Accounts	Loss	

A partnership is a business organisation with between 2 and 20 owners. It is advisable that the partners draw up a partnership deed to set out the agreement between them. This agreement is likely to state the amount of to be contributed by each partner and whether any of the partners are to be paid for working in the business.

..... may also be paid to reward partners who have contributed a greater amount to the business whilst

..... discourages partners from taking
.....

The final accounts of a partnership include the

..... which shows the distribution of the profit between the partners.

..... show each partner's earnings from the business and the drawings that they have taken. Normally, there will be a

..... balance on these accounts. If there is a balance it indicates that the partners' drawings exceeded their earnings.

9

Turn over ►

3

Total for this question: 7 marks

Brian Jones is starting a business as a sole trader. He has already bought a delivery vehicle and fixtures and fittings. He has arranged for a bank loan to help with the purchase of these assets. He has negotiated 2 months trade credit with a supplier and has purchased goods for resale. After these transactions, he has £1500 cash remaining in the bank from his initial capital.

He wishes to start recording all his business transactions using the double entry bookkeeping system.

Record the following assets, liabilities and capital as an opening journal entry. You will need to calculate the value of his capital.

	£
Delivery vehicle	10 000
Fixtures and fittings	2 000
Bank loan	8 000
Stock of goods	5 000
Creditor	5 000
Cash at bank	1 500

The Journal

	Debit £	Credit £
Delivery vehicle		
Fixtures and fittings		
Bank loan		
Stock of goods		
Creditor		
Cash at bank		
Capital		
Totals		

(7 marks)

7

5

Total for this question: 10 marks

The treasurer of a social club is preparing financial statements to send to the club’s members.

(a) Indicate, by placing **one** tick (✓) in the appropriate column, where each item should appear.

The first one has been completed as an example.

	Item	Bar Trading Account		Income and Expenditure Account		Balance Sheet
		Debit	Credit	Debit	Credit	
(i)	Bank balance					✓
(ii)	Subscriptions for the year					
(iii)	Bar purchases					
(iv)	Accumulated fund					
(v)	Bar staff wages					
(vi)	Rates paid for the year					
(vii)	Subscriptions paid in advance for next year					

(6 marks)

(b) Explain **two** main differences between the year-end accounts of a non-profit making organisation and those of a Limited Company.

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(4 marks)

6

Total for this question: 9 marks

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

A C Doyle Ltd		
Manufacturing account	£	£
		31 December 2004
Opening Stock	30 000	
Purchases	180 000	
Carriage inwards	10 000	
Closing stock	<input style="width: 100px; height: 15px;" type="text"/>	
Cost of <input style="width: 250px; height: 15px;" type="text"/>		180 000
Direct labour		<u>200 000</u>
<input style="width: 250px; height: 15px;" type="text"/>		<input style="width: 100px; height: 15px;" type="text"/>
<input style="width: 250px; height: 15px;" type="text"/>		<input style="width: 100px; height: 15px;" type="text"/>
Supervisors' salaries	60 000	
Depreciation of machinery	40 000	
Factory light and heat	20 000	
Rent and rates	<u>30 000</u>	<input style="width: 100px; height: 15px;" type="text"/>
		<input style="width: 100px; height: 15px;" type="text"/>
Work in progress at 1 January 2004		30 000
Work in progress at 31 December 2004		<input style="width: 100px; height: 15px;" type="text"/>
Factory cost of goods purchased		<u>540 000</u>

(9 marks)

9

Turn over ►

7

Total for this question: 8 marks

Lawrence Johnson records the VAT on his business transactions in his books of original entry. The totals in these books for the month of May 2005 are as follows.

Sales Book

Date	Details	Goods £	VAT £	Total £
May 2005	Total for month	28 000	4 900	32 900

Purchases Book

Date	Details	Goods £	VAT £	Total £
May 2005	Total for month	20 000	3 500	23 500

Sales Returns Book

Date	Details	Goods £	VAT £	Total £
May 2005	Total for month	2 600	455	3 055

Purchases Returns Book

Date	Details	Goods £	VAT £	Total £
May 2005	Total for month	1 200	210	1 410

- (a) From the data opposite, draw up the VAT account for the month of May 2005. Balance the account at the end of the month and bring down the balance on 1 June 2005.

VAT Account					
Dr			Cr		
Date		£	Date		£

(6 marks)

- (b) Explain the meaning of the balance brought down on 1 June 2005.

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.....

.....

(2 marks)

8

TURN OVER FOR THE NEXT QUESTION

Turn over ►

8

Total for this question: 13 marks

Carl Davids is a sole trader who needs to produce his year-end accounts. Unfortunately, Carl has not kept proper books of account and has asked your help in calculating some missing figures for the year ended 31 May 2005.

The following information is available from his Balance Sheet at 31 May 2004:

Debtors	£15 000
Creditors	£12 000
Rent owing	£2 000

He has identified the following from his cashbook for the year ended 31 May 2005:

Cheques and cash received from debtors	£75 000
Cheques and cash paid to creditors	£60 000
Rent paid	£15 000

From a list of unpaid invoices he has established that at 31 May 2005 he owes £20 000 to creditors and is owed £24 000 by debtors.

The statement from his landlord shows that he has prepaid £3 000 rent at 31 May 2005.

(a) Calculate for the year ended 31 May 2005:

(i) Sales;

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(3 marks)

(ii) Purchases;

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(3 marks)

THERE ARE NO QUESTIONS PRINTED ON THIS PAGE