

FOR OFFICIAL USE

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	KU	HI
Total		

0010/401

NATIONAL
QUALIFICATIONS
2008

WEDNESDAY, 28 MAY
9.00 AM – 10.15 AM

ACCOUNTING AND
FINANCE
STANDARD GRADE
Foundation Level

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day Month Year

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Scottish candidate number

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Number of seat

- 1 Answer **all** the questions.
- 2 Read each question carefully.
- 3 Write your answers in the spaces provided.
- 4 Do **not** write in the margins.
- 5 Calculators may be used.
- 6 Before leaving the examination room you must give this book to the invigilator. If you do not, you may lose all the marks for this paper.



Marks

KU	HI
2	
2	
6	
6	

1. (continued)

(b) Who will supply the goods? Tick (✓) the correct box.

Pet Stores plc	
Milly's Pet Supplies	

(c) Trade Discount appears on this order. Name the other type of discount that customers may be given.

(d) Milly's Pet Supplies is run as a Sole Trader organisation. Tick (✓) the correct box to show whether each of the following is an advantage or disadvantage of being a Sole Trader.

	Advantage	Disadvantage
Difficult to take time off		
Owner gets all the profits		
Responsible for all the debts		

(e) Milly requires additional capital to expand her business. State 3 sources of finance available to this type of business.

1 _____

2 _____

3 _____

[Turn over

Marks

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2. (a) Using the information below, complete the ledger accounts of Boyne & Blair.

2008

- 1 February Calvin Green, a debtor, owed Boyne & Blair £85.
- 8 February Boyne & Blair sold goods on credit to Calvin Green worth £200 plus VAT of £35.
- 19 February Calvin Green returned goods valued at £100 plus £17.50 VAT.
- 28 February Calvin Green paid £190 by cheque and was allowed discount of £12.50.

Ledger of Boyne & Blair

Account Name <u>Calvin Green</u>		Number <u>1</u>					
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
1 Feb	Balance						
8 Feb	Sales/VAT						
19 Feb	Sales Returns/VAT						
28 Feb	Bank						
28 Feb	Discount Allowed						

Account Name <u>Sales</u>		Number <u>2</u>					
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
8 Feb	Calvin Green						

Marks

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2. (a) (continued)

Account Name		VAT		Number		3	
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
8 Feb	Calvin Green						
19 Feb	Calvin Green						

Account Name		Bank		Number		4	
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
1 Feb	Balance	2,400	00			2,400	00
28 Feb	Calvin Green						

Account Name		Sales Returns		Number		5	
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
19 Feb	Calvin Green						

Account Name		Discount Allowed		Number		6	
Date	Details	Dr		Cr		Balance	
2008		£	p	£	p	£	p
28 Feb	Calvin Green						

Marks

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8	

2. (continued)

- (b) Name the document which Boyne & Blair would send to Calvin Green at the end of February showing all of his transactions.

- (c) Boyne & Blair run their business as a partnership.
In the table below, tick (✓) which statements are **True** or **False** about a partnership.

	True	False
Shares can be bought and sold on the Stock Exchange.		
Partners must agree how to divide the profits.		
Work is always shared equally between the partners.		

- (d) Complete the table below to show where these items would appear. Tick (✓) the appropriate box.

	Profit and Loss Appropriation Account	Balance Sheet
Debtors		
Share of Profit		
Current Account		
Partnership Salary		

[Turn over for Question 3 on *Page eight*

Marks

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4. (a) Calculate the closing bank balance by completing the Receipts and Payments Account of the Swallow Tennis Club.



Swallow Tennis Club
Receipts and Payments Account
for the year ended 30 April 2008



	£	£	
Opening Bank Balance		600	
RECEIPTS			
Subscriptions	2,700		
Income from Competitions	750		
Grant from Sports Council	800		
Bank Loan	1,000		
PAYMENTS			
Competition Expenses	300		
Equipment	1,500		
Secretary's Expenses	175		
Advertising	45		
Rent	600		
Closing Bank Balance		£	4

Marks

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5	

4. (continued)

(b) Use the Receipts and Payments Account to complete the Income and Expenditure Account of the Swallow Tennis Club.



**Swallow Tennis Club
Income and Expenditure Account
for the year ended 30 April 2008**



	£	£
INCOME		
Subscriptions	[]	
Income from Competitions	[]	
Grant from Sports Council	[]	[]
	<hr style="border-top: 1px solid black;"/>	
EXPENDITURE		
Competition Expenses	[]	
Secretary's Expenses	[]	
Advertising	[]	
Rent	[]	[]
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Surplus/Deficit		£ [] <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>

5

[Turn over

Marks

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4. (continued)

- (g) For the Swallow Tennis Club, state whether the following are **True** or **False**. Tick (✓) the correct box.

	True	False
An honorarium is a payment for voluntary work.		
Accumulated Fund is another name for profit.		

- (h) What type of organisation is the Swallow Tennis Club? Put a tick (✓) opposite the correct answer.

Sole Trader	
Partnership	
Not-for-Profit	
Public Limited Company	

[Turn over

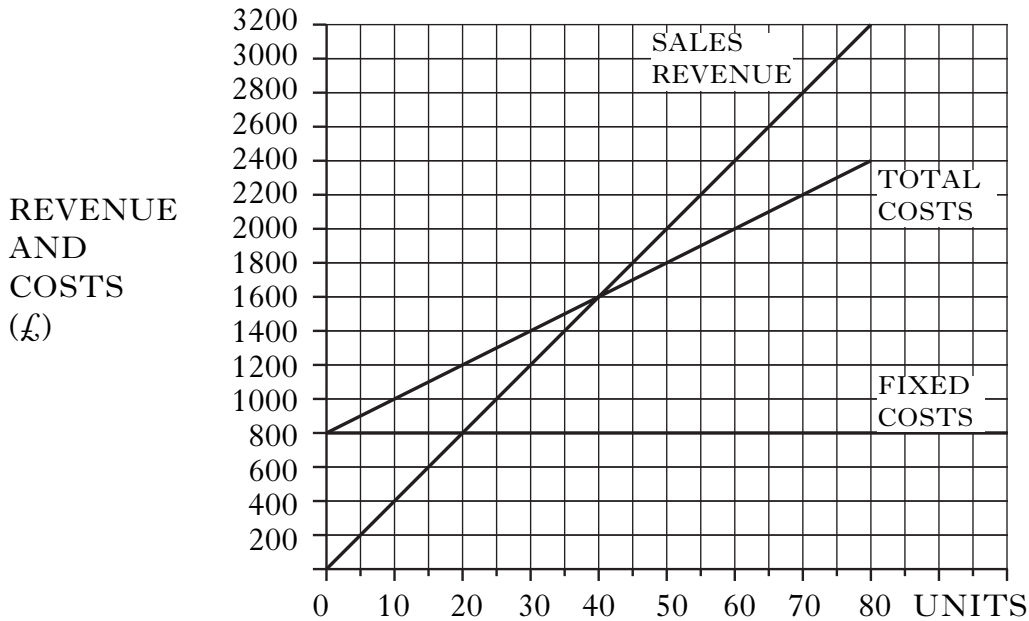
Marks

	KU	HI
2		
2		
2		
2		
2		
2		

5.

KELL-ELECTRONICS PLC

BREAK-EVEN CHART FOR MP3 PLAYERS



(a) Using the chart above, state:

(i) the number of MP3 players which need to be sold in order to break even;

(ii) the total cost if no MP3 players are sold;

(iii) the sales revenue at break even;

(iv) the number of MP3 players which need to be sold to earn revenue of £2,400.

(b) (i) What is the difference between Total Costs and Sales Revenue when 20 units are sold?

(ii) Is your answer to (b) (i) a profit or loss?

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