

FOR OFFICIAL USE

--	--	--	--	--	--

G

**0010/402**

	KU	HI
Total		

NATIONAL QUALIFICATIONS 2007  
 FRIDAY, 25 MAY  
 10.35 AM – 12.05 PM

ACCOUNTING AND FINANCE  
 STANDARD GRADE  
 General 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

--	--	--	--	--	--	--	--

Scottish candidate number

--	--	--	--	--	--	--	--	--	--

Number of seat

- 1 Check that a Document pack for use with Question 2(a) has been provided.
- 2 Answer **all** the questions.
- 3 Read each question carefully.
- 4 Write your answers in the spaces provided.
- 5 Do **not** write in the margins.
- 6 Calculators may be used.
- 7 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
----	----

1. Iago plc returned the following goods that had been bought on credit from Desdemona Dresses.

2 cotton lycra dresses @ £40 each

2 leather belts @ £10 each

**Total VAT for the goods is £14·87.**

(a) Complete the Credit Note below, which Desdemona Dresses would send to Iago plc.

<b>CREDIT NOTE</b>					
<b>DESDEMONA DRESSES</b>					
12 Smith Street KELSO TR15 4BY					
Telephone: 01573 56423			Email: <a href="mailto:desdress@htp.co.uk">desdress@htp.co.uk</a>		
Credit Note Number: 22			VAT Number: 221 13 333		
To: Iago plc 4 Bonhill Road DUMBARTON MR3 5PG					
Quantity	Description	Unit Price		Cost	
		£	p	£	p
	Less Trade Discount (15%)				
	<b>Net Goods Value</b>				
	Add VAT (17·5%)				
	<b>TOTAL</b>				

10

*Marks*

	KU	HI
<b>6</b>		
<b>6</b>		

**1. (continued)**

(b) Name the accounts which would be used to record the transaction from the credit note in the ledger of Desdemona Dresses.

---



---



---

(c) Desdemona Dresses is a sole trader and Iago plc is a public limited company. Identify **3** ways a **plc** would differ from a **sole trader**.

---



---



---



---



---



---

**[Turn over**

2. (a) Using the **Document Pack provided** make the necessary entries in the ledger accounts of the partnership Calypso Cheeses.

**Ledger of Calypso Cheeses**

Account Name _____		Number _____		1			
Date	Details	Dr		Cr		Balance	
2007		£	p	£	p	£	p

Account Name _____		Number _____		2			
Date	Details	Dr		Cr		Balance	
2007		£	p	£	p	£	p

Account Name _____		Number _____		3			
Date	Details	Dr		Cr		Balance	
2007		£	p	£	p	£	p

Marks

KU	HI
----	----

2. (a) (continued)

Account Name _____		Number _____		4			
Date	Details	Dr		Cr		Balance	
2007		£	p	£	p	£	p

Account Name _____		Number _____		5			
Date	Details	Dr		Cr		Balance	
2007		£	p	£	p	£	p

15

(b) Give 2 benefits of preparing a **Partnership Agreement**.

---



---



---



---

4

[Turn over

Marks

KU	HI
4	
2	

2. (continued)

(c) Explain the meaning of the term **unlimited liability**.

---

---

---

(d) Explain why a partnership prepares an **Appropriation Account**.

---

---

**[Turn over for Question 3 on *Page eight***

KU	HI

3. The Modern Drama Group provided the following information on 30 April 2007.

Subscriptions	£6,000
Profit on Bar	£3,500
Loss on Plays	£840
New Equipment bought during the year	£2,200
Equipment at start of year	£7,800
Insurance	£120
Hall Rent	£160
Donations received	£500
Honorarium	£200

**NOTES**

- Hall rent owing at end of year £20
- Insurance prepaid at year end £10
- Subscriptions owing at year end £2,000
- All Equipment is to be depreciated by 10 %

(a) From the information provided **select** those items necessary and complete the Income and Expenditure Account on the opposite page.



Marks

KU	HI
<b>14</b>	
	<b>4</b>

3. (a) (continued)

**Income and Expenditure Account  
of Modern Drama Group for the year ended 30 April 2007**

£                         £

(b) Identify **one** item of Capital and Revenue Expenditure from the information provided on *Page eight*.

(i) Capital Expenditure

\_\_\_\_\_

(ii) Revenue Expenditure

\_\_\_\_\_

[Turn over

Marks

KU	HI
2	
6	
4	

3. (continued)

- (c) Members' **subscriptions owing** at the end of the financial year would be recorded in the Balance Sheet.

Tick (✓) the appropriate heading under which this item would appear.

Fixed Assets	
Current Assets	
Current Liabilities	
Long Term Liabilities	

- (d) Explain the following terms when used with **not-for-profit** organisations.

(i) AGM

\_\_\_\_\_

\_\_\_\_\_

(ii) Deficit

\_\_\_\_\_

\_\_\_\_\_

(iii) Accumulated Fund

\_\_\_\_\_

\_\_\_\_\_

- (e) Who would receive an honorarium and why would they receive it?

Who? \_\_\_\_\_

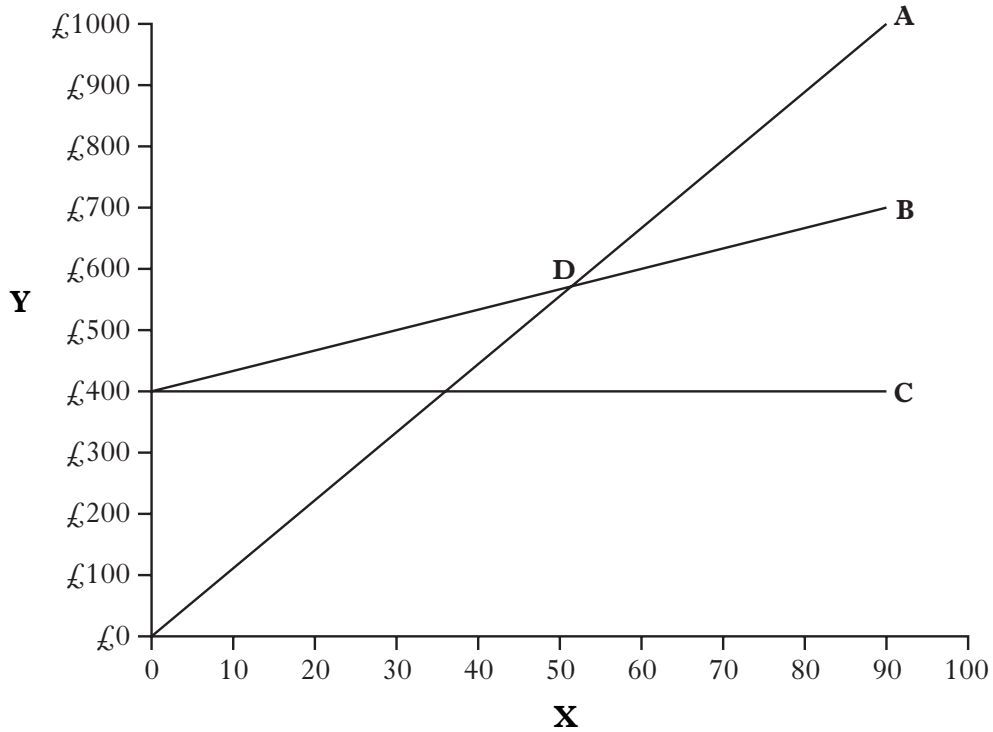
Why? \_\_\_\_\_

Marks

KU	HI
----	----

4. (a) Cassio and Emilia are in partnership selling wooden tables.

**Breakeven Chart for Wooden Tables**



Refer to the Breakeven Chart above and complete the table below.

Chart Letter	Chart Name or Label
A	
B	
C	
D	
X	
Y	

12

[Turn over

Marks

KU	HI
14	
	6

**4. (continued)**

(b) Using the following information complete the table below.

Fixed Costs £200

Variable Costs £1 per unit

Selling Price £2 per unit

Units	Fixed Costs	Variable Costs	Revenue	Profit/Loss
0				
100				
200				
300				

(c) Explain the following terms.

(i) Fixed Costs

---



---

(ii) Variable Costs

---



---

(iii) Breakeven

---



---

**[Turn over for Question 5 on *Page fourteen***

5. The following is the Trading and Profit and Loss Account of Ricardo Poseidone a sole trader.

Marks

**Trading and Profit and Loss Account of Ricardo Poseidone  
for the year ended 30 April 2007**

	£	£
Sales		80,000
<b>less</b> Cost of Goods Sold:		
Opening Stock	10,000	
<b>add</b> Purchases	52,000	
	62,000	
<b>less</b> Closing Stock	6,000	
Cost of Goods Sold		56,000
Gross Profit		24,000
<b>less</b> Expenses		14,000
Net Profit		£10,000

(a) Using the information above, calculate the following.

(i) Average Stock

4

(ii) Rate of Stock Turnover

3

(iii) Gross Profit Percentage

3

(iv) Net Profit Percentage

3

**5. (continued)**

Marks

KU	HI
4	
2	
2	
2	

(b) Name **2** ratios that could be calculated from the Balance Sheet.

---



---

Name of Business	<b>Zeus</b>	<b>Helios</b>
Rate of Stock Turnover	6 times	9 times
Net Profit Percentage	15%	22%

Using the information above, answer the following.

(c) Which business has been the most successful?

---



---

(d) State **one** possible reason why Helios has a higher rate of stock turnover.

---



---

(e) Suggest how a firm could improve its Net Profit Percentage.

---



---



---

**[Turn over**

KU	HI

6. (a) Using the information below, complete the following Trial Balance for Telemachas, a partnership, on 30 April 2007.

	£
Capital—Tele	26,050
Capital—Machas	26,050
Drawings—Tele	2,000
Drawings—Machas	1,000
Bank Overdraft	2,400
Debtors	800
Sales	10,000
Sales Returns	500
Purchases	5,600
Rent	100
Creditors	5,000
Discount Received	500
Equipment	60,000



Marks

KU	HI
----	----

6. (a) (continued)

**Trial Balance of Telemachas  
as at 30 April 2007**

	Debit	Credit
Capital—Tele		
Capital—Machas		
Drawings—Tele		
Drawings—Machas		
Bank Overdraft		
Debtors		
Sales		
Sales Returns		
Purchases		
Rent		
Creditors		
Discount Received		
Equipment		
	£	£

14

(b) Give **one** reason for preparing the Trial Balance.

---



---

2

(c) Identify **3** different methods of raising finance for a Partnership.

---



---



---

6

[Turn over for Question 6(d) on Page eighteen

**6. (continued)**

*Marks*

KU	HI
6	

(d) Name **or** describe **3** types of errors that would **not** be shown by the Trial Balance.

---



---



---



---



---



---



---



---

**6**

*[END OF QUESTION PAPER]*

**[BLANK PAGE]**

**[BLANK PAGE]**

**0010/403**

---

NATIONAL  
QUALIFICATIONS  
2007

FRIDAY, 25 MAY  
10.35 AM - 12.05 PM

ACCOUNTING AND  
FINANCE  
STANDARD GRADE  
General Level  
Document pack for use with  
Question 2(a)

**Do not return with your examination booklet.**



2. (a) Use the following documents to complete the ledger accounts for Calypso Cheeses on pages 4 and 5 of your examination booklet.

<b>INVOICE</b>				
<b>CALYPSO CHEESES</b> 4 Cave Crescent <b>ST ABBS</b> TD2 1RE  0191 998768  Date: 2 May 2007  To: Homer plc 12 Ancient Avenue <b>BERWICK</b> TD5 2GH			No: 4   email: calcheeses@htp.co.uk  VAT No: 773 23 49	
Quantity	Description	Goods	VAT	Total
10 kg	Mature White Cheddar	£18.00	£3.15	£21.15
5 kg	Creamy Brie	£15.00	£2.62	£17.62
		£33.00	£5.77	£38.77

2. (a) (continued)

**CREDIT NOTE**

CALYPSO CHEESES No: 24  
 4 Cave Crescent  
 ST ABBS  
 TD2 1RE

0191 998768 email: calcheeses@htp.co.uk

Date: 9 May 2007 VAT No: 773 23 49

To: Homer plc  
 12 Ancient Avenue  
 BERWICK  
 TD5 2GH

Quantity	Description	Goods	VAT	Total
5 kg	Creamy Brie (damaged)	£15.00	£2.62	£17.62
		£15.00	£2.62	£17.62

<b>Bank of Odysseus</b>		<b>83-15-28</b>
21 Greek Avenue, Edinburgh, EH1 2BY		
		<i>28 May 2007</i>
Pay <i>Calypso Cheeses</i>		
<i>Twenty one pounds 15</i>		
	A/c Payee	£ 21-15
		<i>Georgio Zeus</i> Homer plc
000002	83-15-28	00127933

[END OF DOCUMENT PACK]

**[BLANK PAGE]**