

FOR OFFICIAL USE

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0010/401

NATIONAL
QUALIFICATIONS
2011

MONDAY, 30 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

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1. (a) From the following information, complete the Order Form below.

- 4 Terra Ultralight Tents @ £400.00 each
- 8 Gas Camping Stoves @ £35.00 each
- Trade Discount @ 10% = £188.00
- VAT @ 17.5% = £296.10

NO: 1796

ORDER FORM

Feshie Camping Supplies
Unit 14
Braehead Industrial Estate
PAISLEY
PA6 7UB

Tel: 0141 765 2345
e-mail: fcs@btinternet.com



TO: The Backpack Company
14 Main Street
KESWICK
CA12 5JD

VAT No: 167 987 098
Date: 2 May 2011

Quantity	Description	Unit Price		Cost	
		£	p	£	p
	Less 10% Trade Discount				
	Net Goods Value				
	Add VAT @ 17.5%				
	TOTAL			£	

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1. (continued)

Marks

- (b) Identify the **3** accounts that would be used to record the goods ordered in The Backpack Company's ledger. Tick (✓) the correct boxes.

Bank	
Feshie Camping Supplies	
Sales	
Purchases	
VAT	

6

- (c) Feshie Camping Supplies returned one of the gas camping stoves.

- (i) State **one** reason why they would do this.

2

- (ii) Give the name of the document The Backpack Company would send to Feshie Camping Supplies when the gas camping stove was returned.

2

- (d) Feshie Camping Supplies is owned and run by Katy McLeod. Name this type of business.

2

- (e) Katy decides to expand her business and needs to raise more finance. Tick (✓) **3** methods available to her to do this.

Issuing Debentures	
Applying for a Bank Loan	
Asking for Donations	
Taking on a Partner	
Applying for a Lottery Grant	
Asking Family or Friends for a Loan	

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2. (a) Using the information below, complete the ledger accounts of Ashton Lane plc.

- 1 April Purchased goods on credit from Jack Hills for £276·00 plus £48·30 VAT
- 7 April Purchase of goods of £150·00, plus £26·25 VAT was paid by cheque
- 14 April Ashton Lane plc returned goods to Jack Hills. These goods were valued at £80·00 plus VAT of £14·00
- 18 April Ashton Lane plc sent a cheque to Jack Hills for £455·00. They were given a discount of £15·00

Ledger of Ashton Lane plc

Account Name Bank		Number 1					
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
1 April	Balance	2,200	00			2,200	00
7 April	Purchases/VAT						
18 April	Jack Hills						

Account Name Jack Hills		Number 2					
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
1 April	Balance			564	00	564	00
1 April	Purchases/VAT						
14 April	Purchase Returns/VAT						
18 April	Bank						
18 April	Discount Received						

2. (a) (continued)

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Account Name Purchases _____				Number 3 _____			
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
1 April	Jack Hills						
7 April	Bank						

Account Name VAT _____				Number 4 _____			
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
1 April	Jack Hills						
7 April	Bank						
14 April	Jack Hills						

Account Name Purchase Returns _____				Number 5 _____			
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
14 April	Jack Hills						

Account Name Discount Received _____				Number 6 _____			
Date	Details	Dr		Cr		Balance	
2011		£	p	£	p	£	p
18 April	Jack Hills						

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2		
2		
8		

2. (continued)

(b) Suggest a reason for Jack Hills giving Ashton Lane plc a Discount on 18 April.

(c) State who owns Ashton Lane plc.

(d) Ashton Lane plc operates a Petty Cash system. Tick (✓) the correct box to indicate whether each of the following statements is **True** or **False**.

	True	False
The Petty Cash starting balance is the same each week.		
A Petty Cash Voucher is not required to claim Petty Cash.		
Operating a Petty Cash system means a large number of small entries will have to be made in the ledger.		
Petty Cash is often the responsibility of a junior member of staff.		

[Turn over for Question 3 on *Page eight*

Marks

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3. (a) Use the information below to complete the Trial Balance of Roddy Lowe as at 31 March 2011.

Sales Returns	£250	Opening Stock	£800
General Expenses	£4,560	Bank	£1,816
Capital	£80,000	Debtors	£56
Wages	£3,512	Creditors	£1,354
Purchases	£23,700	Premises	£57,500
Sales	£24,400	Vehicles	£13,560

Trial Balance of Roddy Lowe as at 31 March 2011	Dr £	Cr £
Sales Returns		
General Expenses		
Capital		
Wages		
Purchases		
Sales		
Opening Stock		
Bank		
Debtors		
Creditors		
Premises		
Vehicles		
	£	£

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2		
2		
6		

3. (continued)

(b) Tick (✓) the correct box below to explain the reason for Roddy Lowe preparing a Trial Balance.

To calculate his profit	
To check the accuracy of his accounts	
To check his bank balance	
To calculate his ratios	

(c) Roddy Lowe prepares a financial statement to help him plan for the future. Give the name of this statement.

(d) Tick (✓) the correct box to show whether each of the following items is an example of Capital or Revenue Expenditure.

	Capital Expenditure	Revenue Expenditure
Vehicles		
Wages		
Premises		

[Turn over

4. (a) Use the following information to complete Dee McLean's Trading, Profit and Loss Account for the year ended 30 April 2011.

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Advertising	£1,000	Rent	£400
Sales	£28,000	Purchases	£20,000
Closing Stock	£2,000	Sales Returns	£1,000
Opening Stock	£1,000	Discount Received	£100
Wages	£1,600		

Enter the missing terms at each *.

**Trading, Profit and Loss Account of Dee McLean
for the year ended 30 April 2011**

	£	£
Sales		
Less Sales Returns		
Net Sales		
Less Cost of Goods Sold		
Opening Stock		
Add Purchases		
Less Closing Stock		
Cost of Goods Sold		
* 		
Add Gains:		
Discount Received		
Less Expenses:		
Wages		
Advertising		
Rent		
* 		

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5. The Balance Sheet of Lesley Foggon is shown below.

**Balance Sheet of Lesley Foggon
as at 30 April 2011**

	£	£
Fixed Assets		
Premises		106,000
Vehicles		50,000
		<hr style="width: 100%;"/>
		156,000
Current Assets		
Stock	14,000	
Debtors	3,000	
Bank	1,000	
	<hr style="width: 100%;"/>	
	18,000	
Less Current Liabilities		
Creditors	6,000	
	<hr style="width: 100%;"/>	
Working Capital		12,000
		<hr style="width: 100%;"/>
		168,000
Financed By		
Opening Capital		150,000
Add Net Profit		18,000
		<hr style="width: 100%;"/>
Closing Capital		£168,000
		<hr style="width: 100%;"/>

(a) Using the Balance Sheet of Lesley Foggon, calculate

(i) **Return on Capital Employed**

$$\frac{\text{Net Profit}}{\text{Opening Capital}} \times \frac{100}{1}$$

$$\frac{\text{[]}}{\text{[]}} \times \frac{100}{1} = \text{[]} \%$$

3

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3		
4		
2		
2		
2		

5. (a) (continued)

(ii) Working Capital Ratio

Current Assets	:	Current Liabilities
	:	
	:	

(b) Tick (✓) the 2 correct boxes opposite the statements which explain how Lesley Foggon could increase her Working Capital.

Purchase a new van	
Invest more of her savings in the business	
Receive a long term loan from the bank	
Withdraw more money from the business for personal use	

(c) Lesley Foggon has already calculated the ratios below. For each ratio state whether Lesley Foggon is performing better or worse than last year. Tick (✓) the correct box.

Ratio	2010	2011	Better	Worse
Gross Profit as a Percentage of Sales	30%	25%		
Rate of Stock Turnover	15 times	18 times		

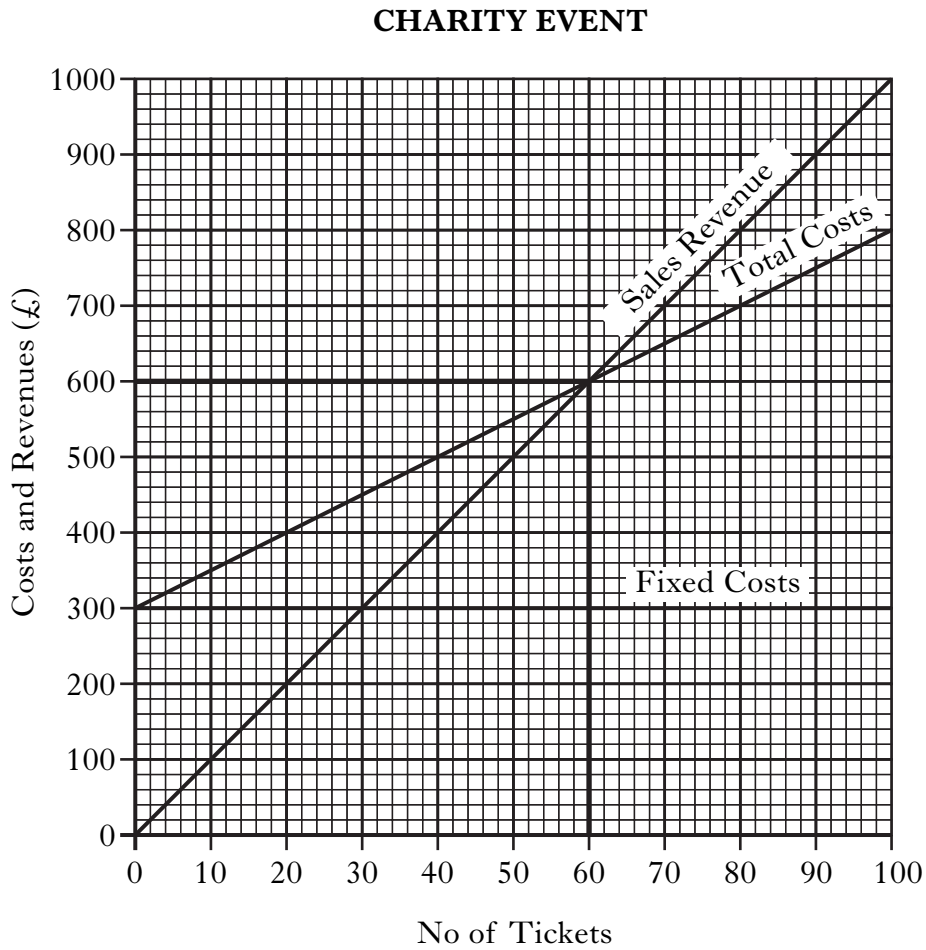
(d) Name **one** other ratio that could be calculated from Lesley Foggon's Trading, Profit and Loss Account.

(e) Lesley Foggon takes money out of the business for her own use. State the name the business gives this money.

Marks

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6. Virgo plc decide to organise a staff BBQ and quiz to raise money for charity. The following is the break-even chart for the event.



(a) From the above chart, state:

(i) the number of tickets to be sold to break-even _____ 2

(ii) the break-even point in £s _____ 2

(b) Use the above chart to decide whether each of the following is **True** or **False**. Tick (✓) the correct box.

	True	False
A profit of £100 would be made if 80 tickets were sold.	<input type="checkbox"/>	<input type="checkbox"/>
A loss of £50 would be made if 40 tickets were sold.	<input type="checkbox"/>	<input type="checkbox"/>

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