
NATIONAL
QUALIFICATIONS
2012

ACCOUNTING AND FINANCE
STANDARD GRADE
PROJECT
Foundation Level

TITLE: Gifts Galore

Instructions to Candidates

1. This project is a part of your assessment for Accounting and Finance.

The solution to the project **must** be your own work.

You are allowed to look at books and at work you have done before. You may also ask your teacher questions. However, the more of the project you are able to do correctly on your own, the greater your chance of a better award.

2. You **must not** take any project work or material out of school.
3. Before you begin work on your project, please check that you have a Candidate's Workbook.
4. The project should take approximately 15 hours.
5. Try the answers to the tasks on paper first, before recording them in your Workbook. The answers in your Workbook must be in ink.
6. The task marked * **must** be done on a computer. Take a printout of the completed work, mark it clearly with your name and school and attach it securely in your Workbook. If you wish, you may do all of the tasks on the computer.
7. The task marked * **must** be attempted and evidence provided. If evidence is not provided, **no grade** may be awarded to the project and **no overall grade** may be awarded for Accounting and Finance.
8. It is important that your work is neat and tidy.

Candidates are reminded that work undertaken outwith the examination room which is submitted in fulfilment of the requirements of the examination must be the sole work of the candidate concerned. Where it is established that work submitted by a candidate has been done in whole or in part by another person, the Scottish Qualifications Authority may cancel the candidate's presentation in any or all of the subjects of presentation.

Background

Gifts Galore is owned by George Brand. As the Accounts Assistant you have to prepare the accounts of the firm.

Accounts to 30 September 2011

The following is the Trial Balance of Gifts Galore for the 11 months ended 30 September 2011.

	£	£
Bank		6,942
VAT	484	
Sales		232,550
Purchases	206,090	
Rent	2,000	
Wages	26,000	
Sales Returns	12,000	
Purchases Returns		13,350
Stock	4,500	
General Expenses	3,865	
Premises	66,994	
John Statton	860	
Cash	335	
The Garret		990
The Present Guru		2,710
Capital		80,000
Drawings	9,250	
Discount Allowed	120	
Discount Received		210
Computer Equipment	3,500	
Morrison Brothers	754	
	£336,752	£336,752

Task 1

Record the balances at 1 October 2011 in the appropriate ledger accounts on pages 2–9 of your Workbook.

Error

When checking the accounts you discover that Computer Equipment of £500 has been wrongly entered into the Purchases Account.

Task 2

Correct the above error on 2 October 2011 in the ledger accounts:

Computer Equipment and Purchases

October Transactions

On 3 October 2011, The Garret is paid £970 by cheque. A discount of £20 is received.

Task 3

(a) Prepare and sign the cheque on page 10 of your Workbook.

(b) Record the transaction in the ledger accounts:

The Garret, Bank and Discount Received

On 5 October 2011 the following invoice is received.

Invoice

The Present Guru
654 Hawthorn Street
ABERDEEN
AB7 7FR

Tel No: 01224 543682
VAT Reg No: 3465 2187 9877

To: Gifts Galore
 23 Fraser Place
 Banchory
 AB31 8JY

Invoice No: 4587
Date: 5 October 2011
Terms: Net Monthly

Quantity	Description	Unit Price	Total
360 boxes	Assorted Candle Sets Less 25% Trade Discount	£ 5.00	£ 1,800.00 450.00 -----
	Net Goods Value VAT 20%		1,350.00 270.00 -----
	Total to pay		£1,620.00 -----


Task 4

Record the transaction in the ledger accounts:

Purchases, VAT and The Present Guru

Sales for **Week 1** banked on 8 October 2011.

Regal Bank	
Pay-in Acknowledgement	
<u>8 October</u>	<u>20 11</u>
<i>Sales</i>	£4,500
<i>VAT</i>	£900
<i>Total</i>	£5,400



Task 5

Enter the transaction in the ledger accounts:

Sales, VAT and Bank

On 10 October 2011 the Window Cleaner is paid £35 by cash.

Cash Receipt

Sutherland Cleaning Services
South Industrial Estate
Banchory
AB30 6FT

Customer: *Gifts Galore*

For: *Window Cleaning Services*

Amount: *£35 (thirty five pounds only)*

Date: *10 October 2011*

Signature *Syd Sutherland*

Task 6

Enter the transaction in the ledger accounts:

General Expenses and **Cash**

On 13 October 2011, Gifts Galore purchases stock for resale at an Auction Sale and pays by cheque.

Regal Bank	
Cheque Counterfoil	
<u>13 October</u>	<u>20 11</u>
<i>Hay's Auction Rooms</i>	
<hr/>	
(Purchases £1,560.00)	
(VAT £312.00)	
<hr/>	
£	<u>£1,872.00</u>
005433	


Task 7

Enter the transaction in the ledger accounts:

Purchases, VAT and Bank

Sales for **Week 2** are banked on 15 October 2011.

Regal Bank	
Pay-in Acknowledgement	
<u>15 October</u>	<u>20 11</u>
<i>Sales</i>	£4,750
<i>VAT</i>	£950
<i>Total</i>	£5,700



Task 8

Enter the transaction in the ledger accounts:

Sales, VAT and Bank

On 16 October 2011 the following credit note is received.

Credit Note

The Present Guru
654 Hawthorn Street
ABERDEEN
AB7 7FR

Tel No: 01224 543682
VAT Reg No: 3465 2187 9877

To: Gifts Galore
 23 Fraser Place
 Banchory
 AB31 8JY

Credit Note No: 561
Date: 16 October 2011
Terms: Net Monthly

Quantity	Description	Unit Price	Total
40	Assorted Candle Sets Less 25% Trade Discount	£ 5.00	£ 200.00 50.00 -----
	Net Goods Value		150.00
	VAT 20%		30.00 -----
	Total Credited		£180.00 -----
	<i>Packages damaged in transit</i>		

Task 9

Record the transaction in the ledger accounts:

Purchase Returns, VAT and The Present Guru

On 17 October 2011, September's Rent (for a storage shed) is paid by cheque.

Regal Bank Cheque Counterfoil	
<u>17 October</u>	<u>20 11</u>
<hr/>	
<i>Rent</i>	
<hr/>	
<i>(for September)</i>	
<hr/>	
£ <u>200</u>	
<hr/>	
005434	

Task 10

Enter the transaction in the ledger accounts:

Rent and **Bank**

On 22 October 2011 the following invoice is sent to a customer.

Invoice

Gifts Galore
23 Fraser Place
Banchory
AB31 8JY

Tel No: 01330 543286
VAT Reg No: 4365 7698 8760

To: Morrison Brothers
Riverside Drive
Aboyne
AB34 6TR

Invoice No: 653
Date: 22 October 2011
Terms: Net Monthly

Quantity	Description	Unit Price	Total
	To corporate gifts as detailed on your Order No PR635		£ 1,750.00
	VAT 20%		350.00
	Total to pay		<hr/> £2,100.00 <hr/>


Task 11

Record the transaction in the ledger accounts:

Sales, VAT and Morrison Brothers

Sales for **Week 3** are banked on 23 October 2011.

Regal Bank	
Pay-in Acknowledgement	
<u>23 October</u>	<u>20 11</u>
<u>Sales</u>	<u>£3,840</u>
VAT	£768
<u>Total</u>	<u>£4,608</u>



Task 12

Enter the transaction in the ledger accounts:

Sales, VAT and Bank

On 28 October 2011, a cheque is made out for wages.

Regal Bank	
Cheque Counterfoil	
<u>28 October</u>	<u>20 11</u>
<u>Wages</u>	
<u>£ 2,400.00</u>	
005435	

Task 13

Enter the transaction in the ledger accounts:

Wages and **Bank**

On 30 October 2011, John Statton is declared bankrupt. Write off his account as a bad debt.

Task 14

Enter the transaction in the ledger accounts:

John Statton and **Bad debts**

Sales for **Week 4** are as follows:

Day	Sales	VAT
Monday	£753·00	£150·60
Tuesday	£687·00	£137·40
Wednesday	£755·00	£151·00
Thursday	£773·00	£154·60
Friday	£762·00	£152·40
Saturday	£880·00	£176·00

Task 15

- (a) (i) Enter the figures in the Weekly Sales Sheet for Week 4 on page 10 of your Workbook.
- (ii) Calculate the **Total to Bank** and the **Weekly Totals**.
- (b) The weekly total is banked on 31 October 2011.

Enter the transaction in the ledger accounts:

Sales, VAT and Bank

On 31 October 2011, computer equipment is purchased and paid by cheque.

Regal Bank	
Cheque Counterfoil	
<u>31 October</u>	20 <u>11</u>
<u>Computer Equipment</u>	
<u>£1,000 plus £200 VAT</u>	
£ <u>1,200</u>	
005436	

Task 16

Enter the transaction in the ledger accounts:

Computer Equipment, VAT and Bank

The Bank Statement Arrives



Regal Bank
Craven House
George Square
Aberdeen
AB4 7YF

Account No: 00456821

Branch Code: 84-21-54

Customer: Gifts Galore
 23 Fraser Place
 Banchory
 AB31 8JY

Date: 31 October 2011

DATE	PARTICULARS	PAYMENTS	RECEIPTS	BALANCE	
Oct 1	Balance			6,942.00	DR
Oct 3	DD – Insurance	50.00		6,992.00	DR
Oct 9	Deposit		5,400.00	1,592.00	DR
Oct 10	Cheque – 5432	970.00		2,562.00	DR
Oct 16	Deposit		5,700.00	3,138.00	
Oct 17	Cheque – 5433	1,872.00		1,266.00	
Oct 24	Deposit		4,608.00	5,874.00	
Oct 25	Cheque – 5434	200.00		5,674.00	
Oct 31	Cash Withdrawal	750.00		4,924.00	

DD = Direct Debit **DR = Overdrawn**

On checking the Bank Statement you have circled the items which have not been entered into the Bank Account.

Task 17

In your Workbook:

- (a) enter the direct debit for Insurance in the ledger accounts:

Bank and General Expenses

- (b) enter the cash withdrawal for drawings in the ledger accounts:

Bank and Drawings

When checking the Bank Account in the ledger you notice the following do not appear in the Bank Statement:

- Two cheques which have not been presented to the bank for payment:
 - Wages on 28 October 2011
 - Computer Equipment on 31 October 2011
- Sales paid into the bank on 31 October 2011 which have not been credited.

Task 18

On page 11 of your Workbook complete the Bank Reconciliation Statement.

Checking the Ledger

It is time to check the accuracy of your ledger accounts.

Task 19

On page 12 of your Workbook, prepare the Trial Balance as at 31 October 2011.

The Final Accounts

It is time to prepare the Trading, Profit and Loss Accounts and the Balance Sheet.

The Accountant has reminded you of the following:

- Closing Stock is £7,500
- Depreciate the Computer Equipment by £500
- October's Rent of £200 is due

Task 20

On page 13 of your Workbook prepare the Trading, Profit and Loss Accounts for the year ending 31 October 2011.

Task 21

On page 14 of your Workbook prepare the Balance Sheet as at 31 October 2011.

How has the business performed?

George has asked you to calculate some ratios.

Task 22

On page 15 of your Workbook calculate the following:

- (a) Gross Profit Ratio;
- (b) Net Profit Ratio;
- (c) Average Stock;
- (d) Rate of Stock Turnover;
- (e) Current Ratio;
- (f) Return on Capital Invested.

The Future

George would like to make and sell personalised mugs. This would mean employing an extra assistant. The costs and revenues are shown below:

- Selling price $\pounds 6.50$ per mug

Variable Costs

- Cost price $\pounds 2.50$ per mug
- Wages $\pounds 1.50$ per mug
- Paint for mug $\pounds 0.50$ per mug

Fixed Costs

- Display Stand for Mugs $\pounds 650$
- Training Costs for assistant $\pounds 150$

George has carried out market research and thinks he can sell 300 mugs per year.

Task 23*

Using a computer, load the file Found1.

- (a) From the information given above, complete the table showing the Fixed Costs, Variable Costs, Total Costs, Total Revenue and Profit/Loss at:

0, 50, 100, 150, 200, 250, 300, 350, 400, 450, 500 mugs

- (b) In the shaded cell, enter the number of mugs to break even.
- (c) Print a copy of your spreadsheet and attach it to page 16 of your Workbook.

Task 24

On page 17 of your Workbook prepare the Report to George.

[END OF PROJECT]

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Foundation Level
Candidate's Workbook

Fill in these boxes and read what is printed below.

Full name of centre

Centre number

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

Forename(s)

Surname

Date of birth

Day Month Year

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

Scottish candidate number

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

AREA	A		B			C		
TASK NUMBER	1–17	18	19	20	21	22	23	24
MARKS AVAILABLE FOR TASK(S)	89	7	22	23	23	19	8	18
ACTUAL MARKS FOR TASK(S)								
MARKS AVAILABLE FOR AREA	96		68			45		
ACTUAL MARKS FOR AREA								

The above grid is for teacher's use.

TASK 1-17

ACCOUNT NAME: Bank		ACCOUNT NO: 1			
2011		DR	CR	BAL	

ACCOUNT NAME: VAT		ACCOUNT NO: 2			
2011		DR	CR	BAL	

ACCOUNT NAME: Sales		ACCOUNT NO: 3			
2011		DR	CR	BAL	

ACCOUNT NAME: Purchases		ACCOUNT NO: 4			
2011		DR	CR	BAL	

ACCOUNT NAME: Rent		ACCOUNT NO: 5			
2011		DR	CR	BAL	

Task 1–17 (continued)

ACCOUNT NAME: Wages		ACCOUNT NO: 6			
2011		DR	CR	BAL	

ACCOUNT NAME: Sales Returns		ACCOUNT NO: 7			
2011		DR	CR	BAL	

ACCOUNT NAME: Purchases Returns		ACCOUNT NO: 8			
2011		DR	CR	BAL	

ACCOUNT NAME: Stock		ACCOUNT NO: 9			
2011		DR	CR	BAL	

ACCOUNT NAME: General Expenses		ACCOUNT NO: 10			
2011		DR	CR	BAL	

ACCOUNT NAME: Premises		ACCOUNT NO: 11			
2011		DR	CR	BAL	

Task 1–17 (continued)

ACCOUNT NAME: John Statton		ACCOUNT NO: 12			
2011		DR	CR	BAL	

ACCOUNT NAME: Cash		ACCOUNT NO: 13			
2011		DR	CR	BAL	

ACCOUNT NAME: The Garret		ACCOUNT NO: 14			
2011		DR	CR	BAL	

ACCOUNT NAME: The Present Guru		ACCOUNT NO: 15			
2011		DR	CR	BAL	

ACCOUNT NAME: Capital		ACCOUNT NO: 16			
2011		DR	CR	BAL	

ACCOUNT NAME: Drawings		ACCOUNT NO: 17			
2011		DR	CR	BAL	

Task 1–17 (continued)

ACCOUNT NAME: Discount Allowed		ACCOUNT NO: 18			
2011		DR	CR	BAL	


ACCOUNT NAME: Discount Received		ACCOUNT NO: 19			
2011		DR	CR	BAL	

ACCOUNT NAME: Computer Equipment		ACCOUNT NO: 20			
2011		DR	CR	BAL	

ACCOUNT NAME: Morrison Brothers		ACCOUNT NO: 21			
2011		DR	CR	BAL	

ACCOUNT NAME: Bad Debts		ACCOUNT NO: 22			
2011		DR	CR	BAL	

TASK 3(a)

<p>Regal Bank</p> <p>Cheque Counterfoil</p> <p style="text-align: right;">_____ 20 _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>£ _____</p> <p>005432</p>	<div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: right;"> <p>Regal Bank</p> <p>84-21-54</p> <p>Craven House, George Square, Aberdeen AB4 7YF</p> </div> </div> <p style="text-align: right;">_____ 20 _____</p> <p>Pay _____ or order</p> <p style="text-align: right;">_____ £ _____</p> <p>_____</p> <p style="text-align: right;">_____ <i>Gifts Galore</i></p> <p>005432 84-21-54 00456821</p>
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TASK 15(a)

Weekly Sales Sheet

Week 4

Day	Sales	VAT	Total to Bank
Monday			
Tuesday			
Wednesday			
Thursday			
Friday			
Saturday			
Weekly Totals			

TASK 18

Bank Reconciliation Statement

as at _____

	<i>£</i>	<i>£</i>
Balance as per Bank Statement		
Less cheques not yet presented:		

Add cheques deposited but not credited:		

Balance as per Bank Account		

TASK 19

Trial balance as at _____

	DR	CR
	£	£
Bank		
VAT		
Sales		
Purchases		
Rent		
Wages		
Sales Returns		
Purchase Returns		
Stock		
General Expenses		
Premises		
John Statton		
Cash		
The Garret		
The Present Guru		
Capital		
Drawings		
Discount Allowed		
Discount Received		
Computer Equipment		
Morrison Brothers		
Bad Debts		

TASK 20

Trading, Profit and Loss Accounts

	£	£	£
Sales			
Less Returns			
Less Cost of Sales			
Opening Stock			
Purchases			
Less Returns			
Less Closing Stock			
GROSS PROFIT			
Add Gains			
Discount Received			
Less Expenses			

NET PROFIT			

TASK 21

Balance Sheet _____

FIXED ASSETS	£ Cost	£ Depreciation	£ NBV

CURRENT ASSETS			

CURRENT LIABILITIES			

FINANCED BY			

TASK 22

(a) Gross Profit Ratio

$$\frac{\text{Gross Profit}}{\text{Net Sales}} \times 100 = \frac{\text{[]}}{\text{[]}} \times 100 = \text{[]} \%$$

(b) Net Profit Ratio

$$\frac{\text{Net Profit}}{\text{Net Sales}} \times 100 = \frac{\text{[]}}{\text{[]}} \times 100 = \text{[]} \%$$

(c) Average Stock

$$\frac{\text{Opening Stock} + \text{Closing Stock}}{2} = \frac{\text{[]} + \text{[]}}{2} = \text{[]}$$

(d) Rate of Stock Turnover

$$\frac{\text{Cost of Sales}}{\text{Average Stock}} = \frac{\text{[]}}{\text{[]}} = \text{[]} \text{ times}$$

(e) Current Ratio

$$\begin{aligned} \text{Current Assets} : \text{Current Liabilities} &= \text{[]} : \text{[]} \\ &= \text{[]} : \text{[]} \end{aligned}$$

(f) Return on Capital Invested

$$\frac{\text{Net Profit}}{\text{Opening Capital}} \times 100 = \frac{\text{[]}}{\text{[]}} \times 100 = \text{[]} \%$$

TASK 23

Attach printout here.

TASK 24

Report

To: George Brand

From: Accounts Assistant

Date: November 2011

The bank balance on 1 November 2010 was £5,210. The bank balance on 31 October 2011 was £ [redacted]. This shows we have £ [redacted] more/less* available to use in the business next year.

Ratios have been completed and the following table shows the comparison between this year's and last year's ratios.

Ratio	Last Year	This Year	Better/Worse*
Gross Profit Ratio	18%	[redacted]	Better/Worse
Net Profit Ratio	8%	[redacted]	Better/Worse
Rate of Stock Turnover	40 times	[redacted]	Better/Worse
Current Ratio	4:1	[redacted]	Better/Worse
Return on Capital Employed	13%	[redacted]	Better/Worse

To offer the personalised mug service it is necessary to spend £ [redacted] on Fixed Costs as well as having Variable Costs of £ [redacted] per mug. The break-even point is [redacted] mugs. Market Research shows that [redacted] mugs could be sold. For this reason this service should/should not* go ahead.

* Delete as appropriate

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STANDARD GRADE
PROJECT
Foundation Level

TITLE: Gifts Galore

**SOLUTIONS AND SUGGESTED
MARKING SCHEME**

**The contents of this document MUST NOT be divulged
to any candidate.**

TASKS 1–17

Bank Account		DR	CR	BAL	
Oct-01	Balance		6,942	6,942	Cr 1
Oct-03	The Garret		970	7,912	Cr 1
Oct-08	Sales and VAT	5,400		2,512	Cr 1
Oct-13	Purchases and VAT		1,872	4,384	Cr 1
Oct-15	Sales and VAT	5,700		1,316	Dr 1
Oct-17	Rent		200	1,116	Dr 1
Oct-23	Sales and VAT	4,608		5,724	Dr 1
Oct-28	Wages		2,400	3,324	Dr 1
Oct-31	Sales and VAT	5,532		8,856	Dr 1
Oct-31	Computer Equipment		1,200	7,656	Dr 1
Oct-31	General Expenses		50	7,606	Dr 1
Oct-31	Drawings		750	6,856	Dr 1

VAT Account		DR	CR	BAL	
Oct-01	Balance	484		484	Dr 1
Oct-05	The Present Guru	270		754	Dr 1
Oct-08	Bank		900	146	Cr 1
Oct-13	Bank	312		166	Dr 1
Oct-15	Bank		950	784	Cr 1
Oct-16	The Present Guru		30	814	Cr 1
Oct-22	Morrison Brothers		350	1,164	Cr 1
Oct-23	Bank		768	1,932	Cr 1
Oct-31	Bank		922	2,854	Cr 1
Oct-31	Bank	200		2,654	Cr 1

(22)

Sales Account		DR	CR	BAL	
Oct-01	Balance		232,550	232,550	Cr 1
Oct-08	Bank		4,500	237,050	Cr 1
Oct-15	Bank		4,750	241,800	Cr 1
Oct-22	Morrison Brothers		1,750	243,550	Cr 1
Oct-23	Bank		3,840	247,390	Cr 1
Oct-31	Bank		4,610	252,000	Cr 1

Purchases Account		DR	CR	BAL	
Oct-01	Balance	206,090		206,090	Dr 1
Oct-02	Computer Equipment		500	205,590	Dr 1
Oct-05	The Present Guru	1,350		206,940	Dr 1
Oct-13	Bank	1,560		208,500	Dr 1

Rent Account		DR	CR	BAL	
Oct-01	Balance	2,000		2,000	Dr 1
Oct-17	Bank	200		2,200	Dr 1

(12)

TASKS 1-17 (continued)

Wages Account		DR	CR	BAL	
Oct-01	Balance	26,000		26,000	Dr 1
Oct-28	Bank	2,400		28,400	Dr 1

Sales Returns		DR	CR	BAL	
Oct-01	Balance	12,000		12,000	Dr 1

Purchases Returns		DR	CR	BAL	
Oct-01	Balance		13,350	13,350	Cr 1
Oct-16	The Present Guru		150	13,500	Cr 1

(5)

Stock Account		DR	CR	BAL	
Oct-01	Balance	4,500		4,500	Dr 1

General Expenses Account		DR	CR	BAL	
Oct-01	Balance	3,865		3,865	Dr 1
Oct-10	Cash	35		3,900	Dr 1
Oct-31	Bank	50		3,950	Dr 1

Premises Account		DR	CR	BAL	
Oct-01	Balance	66,994		66,994	Dr 1

(5)

TASKS 1-17 (continued)

John Statton Account		DR	CR	BAL	
Oct-01	Balance	860		860	Dr 1
Oct-30	Bad Debts		860	-	1

Cash Account		DR	CR	BAL	
Oct-01	Balance	335		335	Dr 1
Oct-10	General Expenses		35	300	Dr 1

The Garret Account		DR	CR	BAL	
Oct-01	Balance		990	990	Cr 1
Oct-03	Bank	970		20	Cr 1
Oct-03	Discount	20		-	1

(7)

The Present Guru Account		DR	CR	BAL	
Oct-01	Balance		2,710	2,710	Cr 1
Oct-05	Purchases and VAT		1,620	4,330	Cr 1
Oct-16	Returns and VAT	180		4,150	Cr 1

Capital Account		DR	CR	BAL	
Oct-01	Balance		80,000	80,000	Cr 1

Drawings Account		DR	CR	BAL	
Oct-01	Balance	9,250		9,250	Dr 1
Oct-31	Bank	750		10,000	Dr 1

(6)

TASKS 1-17 (continued)

Discount Allowed Account		DR	CR	BAL	
Oct-01	Balance	120		120	Dr 1

Discount Received Account		DR	CR	BAL	
Oct-01	Balance		210	210	Cr 1
Oct-03	The Garret		20	230	Cr 1

Computer Equipment Account		DR	CR	BAL	
Oct-01	Balance	3,500		3,500	Dr 1
Oct-02	Purchases	500		4,000	Dr 1
Oct-31	Bank	1,000		5,000	Dr 1

(6)

Morrison Brothers Account		DR	CR	BAL
Oct-01	Balance	754		754
Oct-22	Sales and VAT	2,100		2,854

Dr 1
Dr 1

Bad Debts Account		DR	CR	BAL
Oct-30	John Statton	860		860

Dr 1

(3)

TASK 3(a)

<p>Regal Bank</p> <p>Cheque Counterfoil</p> <p>3 October ¹ 20¹¹</p> <hr/> <p>The Garret ¹</p> <hr/> <p>£ 970.00 ¹</p> <hr/> <p>005432</p>	<div style="text-align: right;">84-21-54</div> <p style="text-align: center;">Regal Bank</p> <p style="text-align: center;">Craven House, George Square, Aberdeen AB4 7YF</p> <p style="text-align: right;">3 October ¹ 20¹¹</p> <p>Pay <u>The Garret ¹</u> or order</p> <p>Nine hundred and seventy pounds £970-00 ¹</p> <p><u>only ¹</u></p> <p style="text-align: right;">Name of Candidate ¹</p> <p style="text-align: right;"><i>Gifts Galore</i></p> <p>005432 84-21-54 00456821</p>
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(8)

TASK 15(a)

Weekly Sales Sheet

Week 4

Day	Sales	VAT		Total to Bank	
Monday	753.00	150.60	1	903.60	1
Tuesday	687.00	137.40	1	824.40	1
Wednesday	755.00	151.00	1	906.00	1
Thursday	773.00	154.60	1	927.60	1
Friday	762.00	152.40	1	914.40	1
Saturday	880.00	176.00	1	1,056.00	1
Weekly Totals	£4,610.00	£922.00	1	£5,532.00	1

(15)

[89]

TASK 18

Bank Reconciliation Statement				
as at 31 October 2011				
	£		£	
Balance as per Bank Statement			4,924	1
Less Cheques not yet presented				
Wages	2,400	1		
Computer Equipment	1,200	1	3,600	1
			1,324	1
Add Cheques deposited but not credited				
Sales			5,532	1
Balance as per Bank Account			£6,856	1

(7)

TASK 19

Trial Balance as at 31 October 2011			1
	DR	CR	
	£	£	
Bank	6,856		1
VAT		2,654	1
Sales		252,000	1
Purchases	208,500		1
Rent	2,200		1
Wages	28,400		1
Sales Returns	12,000		1
Purchases Returns		13,500	1
Stock	4,500		1
General Expenses	3,950		1
Premises	66,994		1
John Statton	0	0	
Cash	300		1
The Garret	0	0	
The Present Guru		4,150	1
Capital		80,000	1
Drawings	10,000		1
Discount Allowed	120		1
Discount Received		230	1
Computer Equipment	5,000		1
Morrison Brothers	2,854		1
Bad Debts	860		1
	£352,534	£352,534	1

(22)

TASK 20

Trading, Profit and Loss Accounts					
for year ended 31 October 2011					
	£		£	£	
Sales				252,000	1
Less Returns				12,000	1
				<u>240,000</u>	1
Less Cost of Sales					
Opening Stock			4,500		1
Purchases	208,500	1			
Less Returns	13,500	1	195,000		1
			<u>199,500</u>		1
Less Closing Stock			7,500	192,000	1
GROSS PROFIT				48,000	1
Add Gains					
Discount Received				230	1
				<u>48,230</u>	1
Less Expenses					
Rent (2200+200)			2,400		2
Wages			28,400		1
General Expenses			3,950		1
Discount Allowed			120		1
Bad Debts			860		1
Depreciation – Computer Equipment			500	36,230	1
NET PROFIT				<u>£12,000</u>	1

(23)

TASK 21

Balance Sheet as at 31 October 2011						1
	£		£		£	
FIXED ASSETS	Cost		Depreciation		NBV	
Premises	66,994	1	0		66,994	1
Computer Equipment	5,000	1	500	1	4,500	1
	71,994		500		71,494	1
CURRENT ASSETS						
Stock			7,500	1		
Debtors – Morrison Brothers			2,854	1		
Bank			6,856	1		
Cash			300	1		
			17,510	1		
CURRENT LIABILITIES						
Creditors – The Present Guru	4,150	1				
Rent due	200	1				
VAT	2,654	1				
			7,004	1	10,506	1
					£82,000	1
FINANCED BY						
Opening Capital					80,000	1
Add Net Profit					12,000	1
					92,000	1
Less Drawings					10,000	1
					£82,000	1

(23)

TASK 22

(a) Gross Profit Ratio						
		1				
<u>Gross Profit</u>	× 100	48000	× 100	<u>20%</u>	1	3
Net Sales		240000				
		1				
(b) Net Profit Ratio						
		1				
<u>Net Profit</u>	× 100	12000	× 100	<u>5%</u>	1	3
Net Sales		240000				
		1				
(c) Average Stock						
			1 1			
<u>Opening Stock+Closing Stock</u>			4,500+7,500	<u>6000</u>	1	4
	2		2			
			1			
(d) Rate of Stock Turnover						
		1				
<u>Cost of Sales</u>		192000		<u>32 times</u>	1	3
Av Stock		6000				
		1				
(e) Current Ratio						
			1	1		
Current Assets : Current Liabilities			17510	7004		
			<u>2.5</u>	<u>:1</u>	1	3
(f) Return on Capital Invested						
		1				
<u>Net Profit</u>	× 100	12000	× 100	<u>15%</u>	1	3
Opening Capital		80000				
		1				
						(19)

TASK 23

Name					
School or Centre					
PERSONALISED MUGS					
Selling Price			6.50	1	
Variable Costs					
Mug	2.50	1			
Wages	1.50	1			
Paint	0.50	1			
			4.50		
Fixed Costs					
Display Stand	650.00	1			
Training	150.00	1			
			800.00		
Number of Mugs	Fixed Costs	Variable Costs	Total Costs	Total Revenue	Profit/Loss
0	800	0	800	0	-800
50	800	225	1025	325	-700
100	800	450	1250	650	-600
150	800	675	1475	975	-500
200	800	900	1700	1300	-400
250	800	1125	1925	1625	-300
300	800	1350	2150	1950	-200
350	800	1575	2375	2275	-100
400	800	1800	2600	2600	0
450	800	2025	2825	2925	100
500	800	2250	3050	3250	200
1					
Number of Mugs to Break Even				400	1

TASK 24

Report

To: George Brand

From: Accounts Assistant

Date: November 2011

The bank balance on 1 November 2010 was £5,210. The bank balance on 31 October 2011 was £6,856 **1**. This shows we have £1,646 **1** more/less* **1** available to use in the business next year.

Ratios have been completed and the following table shows the comparison between this year's and last year's ratios.

Ratio	Last Year	This Year	Better/Worse*
Gross Profit Ratio	18%	20% 1	Better/Worse 1
Net Profit Ratio	8%	5% 1	Better/Worse 1
Rate of Stock Turnover	40 times	32 times 1	Better/Worse 1
Current Ratio	4:1	2.5:1 1	Better/Worse 1
Return on Capital Employed	13%	15% 1	Better/Worse 1

To offer the personalised mug service it is necessary to spend £800 **1** on Fixed Costs as well as having Variable Costs of £4.50 **1** per mug. The break-even point is 400 **1** mugs. Market Research shows that 300 **1** mugs could be sold. For this reason this service should/should not* **1** go ahead.

* Delete as appropriate

(18)

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FOR OFFICIAL USE

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INTERNAL ASSESSMENT

Flyleaf

NATIONAL
QUALIFICATIONS
2012

ACCOUNTING AND FINANCE
STANDARD GRADE
Project

Fill in these boxes and read what is printed below.

Full name of centre

Centre number

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

Forename(s)

Surname

Date of birth

Day Month Year

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

Scottish candidate number

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

Final Grade for
Practical Abilities

(See B4 inside)

A Determination of Weighted Mark

- 1 Enter the candidate's mark for each Area of the Project.
- 2 Enter the total mark available for **each** Area (A, B and C) of the Project undertaken. (One Project only for each candidate.)
- 3 Show the application of the weighting to each Area (candidate's mark as a **proportion** of the total mark available times the weighting).
- 4 Enter the weighted mark for each Area and the total weighted mark for Project.

	Candidate's Mark	Total Mark Available	Candidate's mark as a proportion of total mark available	Weighting	Weighted Mark
Foundation Level					
Area A	96	.....	x 50	.....
Area B	68	.....	x 30	.....
Area C	45	.....	x 20	.....
			Total Weighted Mark		=====
General Level					
Area A	103	.....	x 40	.....
Area B	60	.....	x 30	.....
Area C	57	.....	x 30	.....
			Total Weighted Mark		=====
Credit Level					
Area A	89	.....	x 30	.....
Area B	98	.....	x 30	.....
Area C	66	.....	x 40	.....
			Total Weighted Mark		=====

B Determination of Provisional and Final Grades

1 Enter weighted **mark**
(transferred from one of Projects above)

2 Enter provisional **grade**
(derived from weighted mark—
see Arrangements para 5 4 3)

3 Enter the **Final Grade**
(where different from provisional grade
an explanation must appear in the
Teacher's Comments section below)

Teacher's Comments (where appropriate)

(This section must **ONLY** be completed where the final grade has been affected by assistance given by the teacher.
Information on the degree and instances of assistance must be provided.)

4 The **Final Grade** for Practical Abilities should be entered in the appropriate box on the front page.

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National Qualifications 2012
Standard Grade Accounting and Finance - Practical Abilities
Instructions to Teachers on the Project

1 General

Please study carefully paragraph 5 4 *Internal Assessment of Practical Abilities* of the Arrangements in Accounting and Finance document issued in 1990.

2 Instructions for Candidates

You should issue a project, at the appropriate Level, to each candidate and instruct the candidates to:

- a check the contents of the project;
- b enter details of their Centre, Name, Date of Birth and Scottish Candidate Number on the front cover of the **Internal Assessment Flyleaf**.

You should remind the candidates that:

- c the project **must** be their own work. If it is established that the work of another candidate has been submitted as their own, the Scottish Qualifications Authority may cancel awards in all their subjects;
- d requests for teacher assistance, if excessive, may reduce the grade awarded for the work. (Teachers should distinguish between clarification and assistance - see paragraph 5 4 2 of the Arrangements);
- e no work or material may be taken out of the centre.

3 Weightings for Projects

1. Foundation Level Project

Weighting

Area A	Source Documents to Trial Balance (Tasks 1 – 18)	5
Area B	Financial Statements (Tasks 19 – 21)	3
Area C	Analysis, Interpretation and Decision Making (Tasks 22 – 24)	2

		<i>Weighting</i>
2.	General Level Project	
Area A	Source Documents to Trial Balance (Tasks 1 – 5)	4
Area B	Financial Statements (Task 6)	3
Area C	Analysis, Interpretation and Decision Making (Tasks 7 – 10)	3
3.	Credit Level Project	
Area A	Source Documents to Trial Balance (Tasks 1– 4)	3
Area B	Financial Statements (Tasks 5 and 6)	3
Area C	Analysis, Interpretation and Decision Making (Tasks 7 – 10)	4

4 Assessment

You should:

- Assess each project and record the marks on the **Internal Assessment Flyleaf** for each candidate concerned in accordance with paragraph 5 4 3 of the Arrangements.
- Enter the final grade for each candidate in the appropriate box on the front page of the **Internal Assessment Flyleaf**.
- Retain these forms and the projects.

Forms to record and submit the final grades to SQA will be issued to centres in Spring 2012. Centres will be informed of the timescales for submission when dates have been finalised.

ACCOUNTING AND FINANCE

STANDARD GRADE PROJECT 2012

FOUNDATION/GENERAL/CREDIT LEVELS

SPREADSHEET INSTRUCTIONS TO TEACHERS

TEACHER INSTRUCTIONS FOR SPREADSHEET TEMPLATES

- 1 Specimen templates for teacher preparation accompany these instructions. Teachers should key in all text in the appropriate cells as shown.
- 2 The width of the columns should be set as follows:
 - Column A should be set at 25 characters
 - Columns B to F should be set at 12 characters
- 3 Columns should be formatted as follows:
 - Cells with **one zero** for number with **no decimal places**
 - cells with **0.00** and **formula** for number with **2 decimal places**.
- 4 Where the word “**data**” is indicated, **teachers** should key in the word to indicate where candidates should enter the data details.
- 5 Where the word “**formula**” is indicated, **teachers** should enter the appropriate formulae for their system.
- 6 No figures or formulae should be entered in cell **C39 at all levels**, and also in cells **D46 to F52 and C54 at Credit level**. Candidates should complete the data with their own figures.
- 7 When you have set up the spreadsheet, and are quite certain that it matches the cell descriptions given, save the files to disc or network **using the following names**:
 - (a) **Foundation—“FOUND1”;**
 - (b) **General—“GENERAL1”;**
 - (c) **Credit—“CREDIT1”.**

	A	B	C	D	E	F
1	Foundation Task 23*					
2						
3	Candidate's Name					
4	Candidate's School					
5						
6						
7	PERSONALISED MUGS					
8						
9	Selling Price		0.00			
10						
11	Variable Costs					
12	Mug	0.00				
13	Wages	0.00				
14	Paint	0.00				
15			formula			
16						
17						
18	Fixed Costs					
19	Display Stand	0.00				
20	Training	0.00				
21			formula			
22						
23						
24						
25	Number of Mugs	Fixed Costs	Variable Costs	Total Costs	Total Revenue	Profit/Loss
26	0	formula	formula	formula	formula	formula
27	0	formula	formula	formula	formula	formula
28	0	formula	formula	formula	formula	formula
29	0	formula	formula	formula	formula	formula
30	0	formula	formula	formula	formula	formula
31	0	formula	formula	formula	formula	formula
32	0	formula	formula	formula	formula	formula
33	0	formula	formula	formula	formula	formula
34	0	formula	formula	formula	formula	formula
35	0	formula	formula	formula	formula	formula
36	0	formula	formula	formula	formula	formula
37						
38						
39	Number of Mugs to Break Even		data			

	A	B	C	D	E	F
1	General Task 9*					
2						
3	Candidate's Name					
4	Candidate's School					
5						
6						
7			£	£		
8	Selling Price				0.00	
9						
10	Variable Costs					
11	data		0.00			
12	data		0.00			
13	data		0.00			
14	data		0.00			
15	data		0.00	formula		
16						
17	Fixed Costs					
18	data		0.00			
19	data		0.00			
20	data		0.00			
21	data		0.00			
22	data		0.00	formula		
23						
24						
25	Number of Packs	Fixed Costs	Variable Costs	Total Costs	Total Revenue	Profit/Loss
26	0	formula	formula	formula	formula	formula
27	0	formula	formula	formula	formula	formula
28	0	formula	formula	formula	formula	formula
29	0	formula	formula	formula	formula	formula
30	0	formula	formula	formula	formula	formula
31	0	formula	formula	formula	formula	formula
32	0	formula	formula	formula	formula	formula
33	0	formula	formula	formula	formula	formula
34	0	formula	formula	formula	formula	formula
35						
36						
37						
38						
39	Break even point is		data	Face Paint Packs		

	A	B	C	D	E	F
1	Credit Task 9*					
2						
3	Candidate's Name					
4	Candidate's School					
5						
6	(a)					
7	Fixed Costs			£	£	
8	data			0-00		
9	data			0-00		
10	data			0-00		
11	data			0-00		
12	data			0-00	formula	
13						
14	Variable Cost			£	£	
15	data			0-00		
16	data			0-00		
17	data			0-00		
18	data			0-00		
19	data			0-00	formula	
20						
21	Selling Price				0-00	
22						
23						
24	Dolls	Fixed Costs	Variable Costs	Total Costs	Sales	Profit or Loss
25						
26	0	formula	formula	formula	formula	formula
27	0	formula	formula	formula	formula	formula
28	0	formula	formula	formula	formula	formula
29	0	formula	formula	formula	formula	formula
30	0	formula	formula	formula	formula	formula
31	0	formula	formula	formula	formula	formula
32	0	formula	formula	formula	formula	formula
33	0	formula	formula	formula	formula	formula
34	0	formula	formula	formula	formula	formula
35	0	formula	formula	formula	formula	formula
36	0	formula	formula	formula	formula	formula
37						
38						
39	Break even point is		data			
40						
41	(b)					
42	Estimated Profit and Loss Account for the period June – August 2012					
43						
44				June	July	August
45						
46	Dolls Sold			data	data	data
47				£	£	£
48	Sales			data	data	data
49	Variable Costs			data	data	data
50				data	data	data
51	Fixed Costs			data	data	data
52	Profit/Loss			data	data	data
53						
54	Total Profit for 3 month period		data			

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