

FOR OFFICIAL USE

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Total

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0010/402

NATIONAL
QUALIFICATIONS
2010

MONDAY, 24 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

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Scottish candidate number

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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

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1. McCombie Camping plc returned the following goods which had been bought on credit from Canvas Creations.

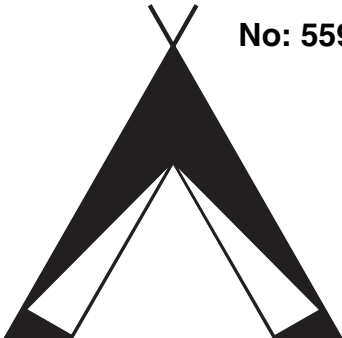
3 Festival Flower tents @ £80.00 each

1 Camper lamp @ £10.00 each

10% Trade Discount is allowed on all orders

Total VAT for the goods is £39.37

(a) Complete the Credit Note below that Canvas Creations would send to McCombie Camping plc.

<h1>CREDIT NOTE</h1>		No: 559	
<p>Canvas Creations Craigdornan Park FORFAR DD8 8CP</p>			
<p>To: <i>McCombie Camping plc</i> 23 St David's Street EDINBURGH EH2 2PP</p>		<p>Tel: 01307 55251 Fax: 01307 55252 VAT No: 612 446 091 Date: 6 March 2010</p>	
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)

(b) Name the accounts that would be used to record the credit note details in the ledger of Canvas Creations.

(c) Canvas Creations gives McCombie Camping plc Trade Discount. Name another type of discount and explain why it is given.

Name _____

Explanation _____

(d) Name the documents which Canvas Creations sends to McCombie Camping plc in the following situations.

	Document Name
McCombie Camping plc buys goods on credit from Canvas Creations.	
Canvas Creations sends McCombie Camping plc a summary of their transactions for the month.	
McCombie Camping plc pays £50 of the amount owed to Canvas Creations in cash.	

[Turn over

2. (a) **Using the Document Pack provided** make the necessary entries in the ledger accounts of Gairneybank Garden Centre.

Ledger of Gairneybank Garden Centre

Account Name <u>Bank</u>		Number <u>1</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p
14/4/2010	Balance	2,000	00			2,000	00

Account Name _____		Number <u>2</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name _____		Number <u>3</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

2. (continued)

(d) Name **2** sources of finance, not available to sole traders or partnerships, which Garden Sundries plc could use to expand its business.

4

(e) Name the financial statement that Garden Sundries plc could prepare to plan its spending over the next 6 months.

2

<i>Marks</i>	KU	HI

[Turn over for Question 3 on *Page eight*

3. The following information has been provided by the Picture Perfect Photography Club.

Assets at 1 January 2009

Cash/Bank	£600	Stock of Refreshments	£500
Equipment	£1,800	Premises	£2,500

**Receipts and Payments Account
for the year ended 31 December 2009**

	£	£
Opening Cash/Bank Balance		600
Receipts		
Members Subscriptions	1,400	
Donations	300	
Grant	800	
Sale of Refreshments	<u>620</u>	<u>3,120</u>
		3,720
Payments		
Purchase of Refreshments	330	
Purchase of Equipment	1,100	
Extension to Premises	750	
Insurance	85	
Cleaner's Wages	165	
Repairs to Premises	<u>90</u>	<u>2,520</u>
Closing Cash/Bank Balance		<u><u>£1,200</u></u>

Notes at 31 December 2009

- (1) Stock of Refreshments is valued at £320
 - (2) Cleaner's Wages of £80 are due but unpaid
 - (3) Insurance has been prepaid by £15
 - (4) The equipment of the Club is depreciated by 15% per annum
- (a) Use the information above to prepare:
- (i) a statement clearly showing any profit or loss made on the sale of refreshments for the year ended 31 December 2009;
 - (ii) the Income and Expenditure Account for the year ended 31 December 2009.

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3. (continued)

(b) The Club would like to extend its premises again to provide a gallery space to display photographs. Suggest **2** ways it could raise the finance to do this **other than** by a grant or donations.

(c) State **2** reasons why the Club depreciates its equipment.

(d) Explain the following terms which could appear in the Balance Sheet of a not-for-profit organisation.

Accumulated Fund _____

Subscriptions Prepaid _____

[Turn over

4. (continued)

(d) When Corrie and Aisha set up their partnership they were advised to draw up a special document. Name this document.

(e) Identify **2** items, relating to the **finance** of the partnership, which might be included in this document.

(f) Before joining Aisha in partnership, Corrie operated a business as a sole trader.

(i) State **2** advantages of being a sole trader.

(ii) State **2** disadvantages of being a sole trader.

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[Turn over

<i>Marks</i>	KU	HI
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5. (continued)

(b) State **2** reasons why Peter Canning prepares a Trial Balance at the end of the financial period.

(c) On checking the accounts, Peter Canning finds the following errors.

(i) No entries had been made in the ledger to record the sale of goods worth £200 on credit.

State how the correction of this error would affect the totals of the Trial Balance.

Give a reason for your answer.

(ii) New Office Equipment costing £400 had been entered into the Purchases Account.

State how the correction of this error would affect the totals of the Trial Balance.

Give a reason for your answer.

[Turn over

<i>Marks</i>	KU	HI
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6. (continued)

(a) Use the Balance Sheet on *Page sixteen* to calculate the following ratios for Alex Ronaldo's business.

(i) Working Capital Ratio

(ii) Return on Capital Invested

(b) The Net Profit of Alex Ronaldo is shown in the Balance Sheet on *Page sixteen*. In which financial statement is the Net Profit calculated?

(c) State **2** uses of accounting ratios.

6. (continued)

(d) Identify **3** other ratios which Alex Ronaldo might calculate at the end of the financial year.

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(e) Explain the following terms which may appear in a Balance Sheet.

(i) Bank Overdraft _____

(ii) Drawings _____

[END OF QUESTION PAPER]

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NATIONAL
QUALIFICATIONS
2010

MONDAY, 24 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 of Gairneybank Garden Centre in your examination booklet.

<h1>INVOICE</h1>		No: 5462		
GARDEN SUNDRIES PLC 28-32 Barns Lane FALKLAND KY15 7AT				
To: Gairneybank Garden Centre Old West Road KINROSS KY13 6YT		Date: 14 April 2010 VAT No: 998 56 31 Terms: Net		
Quantity	Description	Goods	VAT	Total
20	50 cm round planters @ £20 each	£400.00	£70.00	£470.00
5	Bamboo wind chimes @ £10 each	£50.00	£8.75	£58.75
		£450.00	£78.75	£528.75

2. (a) (continued)

No: 0241				
<h1>CREDIT NOTE</h1>				
<p>GARDEN SUNDRIES PLC 28-32 Barns Lane FALKLAND KY15 7AT</p> 				
To: Gairneybank Garden Centre Old West Road KINROSS KY13 6YT			Date: 22 April 2010 VAT No: 998 56 31	
Quantity	Description	Goods	VAT	Total
4	50 cm round planters @ £20 each (Damaged)	£80.00	£14.00	£94.00
		£80.00	£14.00	£94.00

Cheque Counterfoil

<i>25 April 2010</i>
<i>GARDEN SUNDRIES</i>
<i>£400.00</i>
<i>Payment on Account</i>
0067543

[END OF DOCUMENT PACK]

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