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Advice to Candidates
Write your answers neatly and in good English.

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Turn over

Total



#### **SECTION A**

# **Answer BOTH questions in this section**

Source material for use with question 1 can be found on pages 2 and 3 of the source booklet.

1. (a)	Prepare Kofi Appiah's sales day book and sales returns day book, showing columns for goods, VAT and total.
	Sales Day Book
	Sales Returns Day Book
	•

**(12)** 



(b) Prepare the account of Vernon Chan in the ledger of Kofi Appiah. Balance the account at 30 April 2009 and bring down the balance to begin the next month. **Vernon Chan Account** (10)



Leave
hlank

(c)	Explain why suppliers sometimes allow cash discounts to their customers.
	(4)

(d) Prepare Kofi Appiah's petty cash book for the period from 1 April to 14 April. Balance off the petty cash book to show the final balance. (There is no need to bring this balance down.)

Debit	Details	Credit						
		Total	Office Supplies	Postage	Wages	VAT		

**(18)** 



		Leave
(e)	What actions might the petty cashier take if the amount of money in the petty cash box did <b>not</b> equal the balance on the petty cash book?	blank
	(4)	Q1
	(Total 48 marks)	

# blank Source material for use with question 2 can be found on pages 4 and 5 of the source booklet. From the information provided: (a) prepare the trading account and profit and loss account for the year ended 31 March 2009; Trading and Profit & Loss Account for the year ended 31 March 2009



(22)

	Balance Sheet as at	31 March 2009	



## **SECTION B**

# Answer ALL questions in this section

Source material for use with question 3 can be found on page 6 of the source booklet.

		e material for use with question 3 can be found on page of the source bookiet.
3.	(a)	Showing your workings, calculate for both 2007 and 2008 (to two decimal places):
		(i) the net profit ratio;
		Net Profit Ratio
		(ii) the return on capital employed;
		Return on Capital Employed
		(iii) the current ratio;
		Current Ratio
		Current Natio

(iv) bad debts as a percentage of debtors.

# **Bad Debts as a Percentage of Debtors**

**(12)** 



Leave
blank

Felicity believes that the financial performance of her business is better in 2008 than it was in 2007. (b) Evaluate her claim, making equal reference in your answer to her profitability and liquidity.



•••••						
						(10)
c) Give	wo ways in which	ch a business o	could increase	e its working	capital.	
				•••••		
				•••••		
					(Total 26	(4)
					(10tai 20	marks)

# Source material for use with question 4 can be found on page 7 of the source booklet.

4. (a) Update Pedro Garcia's cash book to find the balance at 30 April 2009.

#### Cash Book

· · · · · · · · · · · · · · · · · · ·	·

**(6)** 



(b) Prepare a bank reconciliation statement at 30 April 2009 to reconcile the bank statement balance with the up-to-date cash book balance. Bank Reconciliation Statement at 30 April 2009 (10)



tolo	dro believes that it is useful to draw up a bank reconciliation statement but a friend has d him that such a statement is of only limited usefulness.	
(c)	Evaluate these two views.	

M 3 3 4 1 2 A 0 1 6 2 4

**(10)** 

Q4

#### Source material for use with question 5 can be found on page 8 of the source booklet.

**5.** (a) Prepare the computer account in Ram Singh's ledger for the years ended 31 December 2007 and 31 December 2008.

#### Computer Account for years ended 31 December 2007 and 2008

**(4)** 



Provision for Depreciation	n Account for year	rs ended 31 Decem	ber 2007 and 2008	



<b>Disposal Account</b>	at 31 December 2008	



1	Leave blank	
_		
_		
_		
_		
_		

A business can use either the straight line method or the diminishing balance method when depreciating its fixed assets. (d) Explain two advantages of each of these methods. **(8) Q5** 

(Total 26 marks)

## Source material for use with question 6 can be found on page 9 of the source booklet.

**6.** (a) Prepare Vaso's trading and profit & loss account for the year ended 31 December 2008. Show all your calculations.

(14)



(b)	Prepare	Vaso's	balance	sheet as	at 31	December	2008
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## Balance Sheet as at 31 December 2008

	Leave blank
(13)	Q6
(12)	Q0
(Total 26 marks)	
TOTAL FOR SECTION B: 104 MARKS	
TOTAL FOR PAPER: 200 MARKS	
END	



