X209/101

NATIONAL QUALIFICATIONS 2011

TUESDAY, 31 MAY
1.00 PM – 2.30 PM

ACCOUNTING
INTERMEDIATE 1

Candidates should attempt **four** questions as follows:

Question 1 and **one** other from Section A

plus

Question 4 and **one** other from Section B

Answers must be in ink. Answers in pencil will **not** be accepted, though incidental working may be in pencil.

All working should be shown fully and clearly labelled. Attention is drawn to the note at the start of each question requiring calculations—candidates using calculators should pay particular heed.

All questions should be answered using the Workbook provided.

[BLANK PAGE]

SECTION A

Marks

You should attempt **Question 1** and **ONE other question** from this Section.

Any incorrect figure not supported by adequate working will receive no marks.

You should answer all parts of this question on the Workbook provided.

1. Ben and Jerry are in partnership. The following figures relate to the year ending 31 December Year 2.

	£000
Purchases	160
Sales	320
Stock (1 January Year 2)	28
Stock (31 December Year 2)	24
Carriage In	10
Sales Returns	40
Expenses	60

(*a*) **Prepare** the Trading, Profit and Loss Accounts for the year ending 31 December Year 2. **9**

Ben and Jerry's Partnership Agreement states that:

1 Ben is to receive a salary of £6,000;

2 Residual profits are to be split 3:2 between Ben and Jerry respectively.

(*b*) **Prepare** the Appropriation Account for the partnership for the year ending 31 December Year 2. **6**

The following information relates to the year ended 31 December Year 2.

	Ben	Jerry
Capital Accounts on 1 January Year 2	£100,000	£50,000
Current Accounts on 1 January Year 2	£10,000 (Cr)	£5,000 (Cr)
Drawings	£15,000	£20,000

(*c*) Using the information given above and information from (*b*) you are required to **prepare** the:

(i) Current Accounts of the partners for the year; **7**

(ii) "Financed by" section of the partnership Balance Sheet as at 31 December Year 2. **4**

(*d*) **Name** the 2 documents that need to be registered when forming a plc. **4**

(30)

[Turn over

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

2. PART A

The following information was taken from the ledger of Jill Wilson on 31 December Year 3.

	£000
Sales	150
Purchases	100
Wages	8
Creditors	45
Rent Received	5
Drawings	20
Sales Returns	30
Bank Overdraft	25
Capital	85
Heat and Light	15
Debtors	50
Buildings	80
Stock at 1 January Year 3	5
Discount Allowed	2

Complete the Trial Balance of Jill Wilson as at 31 December Year 3. **14**

You should answer all parts of this question on the Workbook provided.

2. (continued)

PART B

On 31 August Year 1 the bank account in the books of Vicky Stuart showed a debit balance of £550·47. At the same date, the balance shown on the Bank Statement showed a credit balance of £469·97.

On checking the Bank Statement against her records Vicky Stuart found the following differences.

ITEMS WHICH APPEARED IN THE BANK STATEMENT BUT DID NOT APPEAR IN VICKY'S RECORDS

Bank Charges £36·00
Interest Received £25·50.

(*a*) Using the information above **update** the bank account at 31 August Year 1. **5**

ITEMS WHICH APPEARED IN THE RECORDS OF VICKY STUART BUT DID NOT APPEAR IN THE BANK STATEMENT

Cash takings of £120 deposited in the night safe of the bank after closing hours on 31 August Year 1.

Cheques drawn on 30 August Year 1 and sent to trade creditors but not presented for payment by 31 August Year 1 were:

Brown & Co £50·00.

(*b*) **Prepare** the Bank Reconciliation Statement of Vicky Stuart as at 31 August Year 1. **5**

PART C

Explain the use of the following business documents.

(i) Credit Note

(ii) Invoice

(iii) Statement of Account **6**

(30)

[Turn over

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

3. PART A

The Petty Cash Vouchers shown below give details of Brown and White's petty cash expenditure for the week beginning 1 January Year 1.

The petty cash imprest on 1 January Year 1 was £40. **This has already been recorded on the Petty Cash Statement for you.**

Petty Cash Voucher	**PCV 1** 01-Jan
DETAILS	**AMOUNT**
Bus Fare	£2·50
Total	£2·50
Signature: C Brown	
Passed by: R Singh	

Petty Cash Voucher	**PCV 2** 03-Jan
DETAILS	**AMOUNT**
Window Cleaner	£15·00
Total	£15·00
Signature: M White	
Passed by: R Singh	

Petty Cash Voucher	**PCV 3** 04-Jan
DETAILS	**AMOUNT**
Stamps	£6·70
Total	£6·70
Signature: M White	
Passed by: R Singh	

Petty Cash Voucher	**PCV 4** 05-Jan
DETAILS	**AMOUNT**
Envelopes	£3·60
Total	£3·60
Signature: C Brown	
Passed by: R Singh	

(*a*) **Complete** Brown and White's Petty Cash Statement using the Petty Cash Vouchers above for the first week in January Year 1. **9**

(*b*) **Restore** the imprest on 6 January Year 1. **3**

You should answer all parts of this question on the Workbook provided.

3. (continued)

PART B

The following figures are available for A Scotsman, a sole trader, for Year 1.

	Year 1
	£000
Sales	200
Opening Stock	12
Closing Stock	18
Cost of Goods Sold	120
Gross Profit	80
Net Profit	50
Current Assets	120
Current Liabilities	60
Capital Employed (Invested)	500

Calculate the following ratios.

(i) Gross Profit Ratio

(ii) Net Profit Ratio

(iii) Rate of Stock Turnover

(iv) Current Ratio

(v) Return on Capital Employed **12**

PART C

Explain any 3 of the following terms.

(i) Cash Discount

(ii) Capital Expenditure

(iii) Current Assets

(iv) Depreciation

(v) Debentures **6**

(30)

[Turn over

SECTION B

Marks

You should attempt **Question 4** and **ONE other question** from this Section.

Any incorrect figure not supported by adequate working will receive no marks.

You should answer all parts of this question on the Workbook provided.

4. **PART A**

Jose Fernandez, a sole trader, runs a factory which manufactures MP3 players. There are 4 cost centres — A, B, C and the Canteen.

Indirect wages are to be **allocated** for Year 2.

A	B	C	Canteen	Total
£40,000	£60,000	£120,000	£33,000	£253,000

The following estimated costs are for Year 2.

OVERHEAD	BASIS OF APPORTIONMENT	COST (£)
Heating	Floor Area (sq m)	40,000
Supervision	No of Employees	120,000
Insurance of Machinery	Value of Machinery (£)	20,000

The following information is available for the cost centres.

	A	B	C	Canteen	Total
No of Employees	15	12	27	6	60
Floor Area (sq m)	20,000	30,000	20,000	10,000	80,000
Value of Machinery (£)	100,000	30,000	70,000		200,000

(*a*) **Complete** the Overhead Analysis Sheet for Jose to show the total estimated overhead apportioned to each cost centre. **15**

(*b*) Re-apportion the canteen costs between the other 3 cost centres based on the following percentages.

A 30%
B 20%
C 50% **6**

The Direct Labour Hours in the cost centres are estimated to be:

	A	B	C	Total
Direct Labour Hours	5,000	8,000	9,000	22,000

(*c*) Calculate the overhead absorption rate for Cost Centre A based on Direct Labour Hours. **3**

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

4. (continued)

PART B

Wonderbryte plc uses a spreadsheet to calculate wages.

	A	B	C	D	E	F
1	**Wonderbryte plc**					
2						
3	**Wages – Week 1**					
4						
5		**Rate**	**Hours**	**Gross Pay**	**Income Tax**	**Net Pay**
6	Claire Murphy	£12	35	?	£100·00	?
7	Michael Forrester	£15	40		£144·00	
8	Levente Dalgarno	£8	45		£86·40	
9	**TOTAL**					?

State an appropriate formula for cells:

(i) D6;

(ii) F6;

(iii) F9. **6**

(30)

[Turn over

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

5. PART A

Jim Russell manufactures specialist birthday cakes in 2 processes – Baking and Decorating.

	BAKING	**DECORATING**
INPUTS		
Materials	1,500 kg @ £2	From Baking
Wages	£4,000	£5,000
Overheads	£2,000	£1,200
OUTPUTS		
Waste	500 kg	200 kg
To Decorating	Balance	
To Shop		Balance

Prepare the process accounts for Baking and Decorating, showing clearly the cost per kg for each process. **14**

PART B

Gordon is considering buying an ice cream van which will run for 52 weeks of the year. He expects the following costs.

Insurance	£75	per month
Diesel	£50	per month
Other expenses	£250	per month

Gordon will also employ a driver who will be paid £10 per hour for a 15 hour week for 46 weeks of the year.

(*a*) **Prepare** an Operating Cost Statement to show the total **annual** cost of running the van. **10**

The van is expected to cover 10,000 miles per year.

(*b*) **Calculate** the cost per mile of running the van. **2**

PART C

Name 2 documents involved in the recording of wages. **4**

(30)

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

6. PART A

Card Crazy plc holds all its greetings cards in a storeroom.

Each item in the storeroom is recorded separately on a stock record card.

On 1 September Year 1 the store has a supply of 50 boxes of cards which cost £20 each.

The following issues and receipts of boxes of cards took place in September.

Date	**Issues/Receipts**	**Boxes of Cards**
9 Sept	Issues to the shop	30
18 Sept	Receipts from supplier	40 @ £30
27 Sept	Issues to the shop	50

Record the information above using the FIFO method of Stock Valuation on the stock record card in the workbook. **11**

PART B

The following information relates to Poppy Palmer.

- Cash balance at end of March Year 1 – £50,000.

	March	**April**	**May**
Sales (cash)	£18,650	£23,400	£22,750
Sales (credit)	£6,600	£7,490	£7,360

- Poppy allows credit customers to pay one month **after** sale.
- Poppy is to receive a loan of £10,500 in April. She is to start monthly loan repayments in May of £500.
- Expected monthly expenses:

  Wages £15,500
  Insurance £400
  Rent £800 (Rent is to be increased by 25% starting in May.)
- New machinery costing £4,000 will be installed in May. This will be paid for in 4 equal instalments, the first payment being made in May.

Prepare a Cash Budget for Poppy for the 2 months April–May Year 1. **15**

[Turn over

Any incorrect figure not supported by adequate working will receive no marks. *Marks*

You should answer all parts of this question on the Workbook provided.

6. (continued)

PART C

(*a*) **Name** the software you would use to prepare a cash budget on a computer. **2**

(*b*) **State** an advantage of using this software. **2**

(30)

[*END OF QUESTION PAPER*]

FOR OFFICIAL USE

Mark

X209/102

NATIONAL QUALIFICATIONS 2011

TUESDAY, 31 MAY
1.00 PM – 2.30 PM

ACCOUNTING
INTERMEDIATE 1
Workbook

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

This Workbook should be used to answer all compulsory and optional questions.

Marks

Worksheet for Question 1

(*a*)

Ben and Jerry			
Trading, Profit and Loss Accounts for the year ending 31 December Year 2			
	£000	**£000**	**£000**

9

Worksheet for Question 1 (continued)

(*b*)

Ben and Jerry			
Appropriation Account for year ending 31 December Year 2			
	£000	**£000**	**£000**

6

(*c*) (i)

CURRENT ACCOUNT – BEN			
	Dr	**Cr**	**BALANCE**

CURRENT ACCOUNT – JERRY			
	Dr	**Cr**	**BALANCE**

7

Marks

Worksheet for Question 1 (*c*) (continued)

(*c*) (ii)

Ben and Jerry **Balance Sheet (Extract) as at 31 December Year 2**		
	£000	**£000**
Financed by:		

4

(*d*) **Name** the 2 documents that need to be registered when forming a plc.

1 ____

2 ____ **4**

(30)

Worksheet for Question 2 PART A

Jill Wilson		
Trial Balance as at 31 December Year 3		
	Dr	**Cr**
	£000	**£000**

14

[Turn over

Marks

Worksheet for Question 2 (continued)

PART B

(*a*)

Vicky Stuart			
Updated Bank Account			
	Dr	**Cr**	**BALANCE**

5

(*b*)

Vicky Stuart		
Bank Reconciliation Statement as at 31 August Year 1		
	£	**£**

5

Marks

Worksheet for Question 2 (continued)

PART C

Explain the use of the following business documents.

(i) Credit Note

(ii) Invoice

(iii) Statement of Account

6

(30)

[Turn over

Marks

Worksheet for Question 3 PART A (*a*) and (*b*)

BROWN AND WHITE

PETTY CASH STATEMENT

Date	Details	PCV No	Cash in	Cash out	Balance	Analysis Columns			
						Stationery	Travel	Cleaning	Postage
Year 1									
Jan 1	Imprest		40·00		40·00				

9

3

Worksheet for Question 3 (continued)

PART B

Year 1
(i) Gross Profit Ratio
(ii) Net Profit Ratio
(iii) Rate of Stock Turnover
(iv) Current Ratio
(v) Return on Capital Employed

12

Worksheet for Question 3 (continued)

PART C

Explain any 3 of the following terms.

(i) Cash Discount

(ii) Capital Expenditure

(iii) Current Assets

(iv) Depreciation

(v) Debentures

6

(30)

Worksheet for Question 4 PART A
(*a*), (*b*) and (*c*)

Marks

OVERHEAD ANALYSIS SHEET

Overhead	**Basis**	**Rate (p)**	**A**	**B**	**C**	**Canteen**	**Total**
(*a*) Indirect Wages	Allocated						
Heating	Floor Area (sq m)						
Supervision	No of Employees						
Insurance of machinery	Value of Machinery (£)						
	DEPARTMENT TOTALS						
(*b*) Re-apportion Canteen	%						
	TOTAL DEPARTMENTAL OVERHEADS						

15

6

(*c*) Overhead Absorption Rate for Cost Centre A

3

Marks

Worksheet for Question 4 (continued)

PART B

State an appropriate formula for cells:

(i) D6 = ______________________________

(ii) F6 = ______________________________

(iii) F9 = ______________________________ **6**

(30)

Worksheet for Question 5 PART A

Marks

BAKING ACCOUNT									
	INPUTS			OUTPUTS			BALANCE		
	Kg	**£**	**£**	**Kg**	**£**	**£**	**Kg**	**£**	**£**
Materials									
Wages									
Overheads									
Waste					0	0			
Transfer to Decorating									

Worksheet for Question 5 PART A (continued)

Marks

DECORATING ACCOUNT									
	INPUTS			**OUTPUTS**			**BALANCE**		
	Kg	**£**	**£**	**Kg**	**£**	**£**	**Kg**	**£**	**£**
From Baking									
Wages									
Overheads									
Waste					0	0			
Transfer to Shop									

14

ALTERNATIVE LAYOUTS ON NEXT PAGE

Worksheet for Question 5 PART A (continued) *Marks*

ALTERNATIVE LAYOUTS

BAKING ACCOUNT							
	INPUTS			**OUTPUTS**			
	Kg	**£**	**£**		**Kg**	**£**	**£**
Materials				Waste		0	0
Wages				Transfer to Decorating			
Overheads							

DECORATING ACCOUNT							
	INPUTS			**OUTPUTS**			
	Kg	**£**	**£**		**Kg**	**£**	**£**
From Baking				Waste		0	0
Wages				Transfer to Shop			
Overheads							

14

Worksheet for Question 5 (continued)

PART B

(*a*)

Gordon	
Operating Cost Statement	
	£

10

(*b*)

COST PER MILE

2

PART C

Name 2 documents involved in the recording of wages.

1 ____________________

2 ____________________ **4**

(30)

Worksheet for Question 6 *Marks*

PART A

STOCK RECORD CARD										
DATE	**DETAILS**	**RECEIPTS**			**ISSUES**			**BALANCE**		
		Quantity	**Price(£)**	**Value(£)**	**Quantity**	**Price(£)**	**Value(£)**	**Quantity**	**Price(£)**	**Value(£)**
1 September	Balance									
9 September	Issues									
18 September	Receipts									
27 September	Issues									

11

Worksheet for Question 6 (continued)

PART B

POPPY PALMER **CASH BUDGET FOR 2 MONTHS APRIL–MAY YEAR 1**		
	APRIL (£)	**MAY (£)**
Opening Balance		
CASH IN		
CASH OUT		

15

Worksheet for Question 6 (continued)

PART C

(*a*) **Name** the software you would use to prepare a cash budget on a computer.

____ **2**

(*b*) **State** an advantage of using this software.

____

____ **2**

(30)

[*END OF WORKBOOK*]

QUESTION	MARK
1	
2	
3	
4	
5	
6	
TOTAL (Transfer to front cover)	