X209/101

NATIONAL
QUALIFICATIONS
2009

TUESDAY, 2 JUNE
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.

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. The following balances were taken from the books of Scotty's Sandwich Shop on 31 December Year 2 **after** the Trading Account had been prepared.

	£
Gross Profit	40,500
Discount Received	1,900
Wages	13,500
Carriage Out	300
Insurance	2,600
Premises (**at cost**)	35,000
Cash	2,700
Capital	50,000
Drawings	7,400
Debtors	5,600
VAT	1,000 **CR**
Creditors	6,800
Bank	2,400 **CR**
Van (**at cost**)	15,000

NOTES: at 31 December Year 2

1 Wages owing £450
2 Insurance prepaid £800
3 Stock was valued at £20,500
4 Depreciate the van by 10% per annum on cost

(*a*) **Prepare** the:

(i) Profit and Loss Account for the year ending 31 December Year 2; **10**

(ii) Balance Sheet as at 31 December Year 2. **16**

(*b*) **State 2** ratios that may be used to compare the performance of Year 2 with Year 1. **4**

(30)

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

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

2. On 30 April Year 1 Olivia Baillie received the following bank statement from the bank which she has checked and compared with her own bank account.

Olivia has placed a **tick** beside the items which appear in **both** the bank statement and her own bank account, which are shown below.

BANK STATEMENT

Olivia Baillie
23 Westside Close
EDINBURGH
EH12 3RZ

Diamond Bank plc
23 Princes Road
EDINBURGH
EH20 9JP

Bank

90–23–74

DATE	DETAILS	DR	CR	BALANCE	
Year 1		£	£	£	
1–Apr	Balance			800·54 ✓	CR
4–Apr	001025	50·00 ✓		750·54	
6–Apr	001029	76·00 ✓		674·54	
8–Apr	DD–Insurance	60·00		614·54	
8–Apr	Cash Dispenser	20·00 ✓		594·54	
15–Apr	SO–Rent	65·00		529·54	
18–Apr	Bank Charges	12·00		517·54	
24–Apr	001026	26·54 ✓		491·00	
30–Apr	Credit Transfer		300·00	791·00	

BANK ACCOUNT

DATE	DETAILS	DR		CR		BALANCE		
Year 1		£	p	£	p	£	p	
1–Apr	Balance					800	54 DR	✓
1–Apr	001025			50	00 ✓	750	54	
4–Apr	001029			76	00 ✓	674	54	
8–Apr	Cash Dispenser			20	00 ✓	654	54	
21–Apr	001026			26	54 ✓	628	00	
30–Apr	C Maxwell (cheque)	65	00			693	00	
30–Apr	001027			34	00	659	00	
30–Apr	001028			45	00	614	00	
30–Apr	Deposit	100	00			714	00	

[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. (continued)

(*a*) (i) Update the Bank Account on 30 April Year 1. **10**

(ii) **Prepare** a Bank Reconciliation Statement as at 30 April Year 1 to reconcile the updated bank balance found in (*a*)(i) with the balance shown in the bank statement. **14**

(*b*) **Explain** the following terms which appear in the bank statement.

(i) SO **2**

(ii) DD **2**

(iii) Credit Transfer **2**

(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.

3. Part A

The following information relates to goods sold on credit to Jayden Laporte.

11 football shirts at £20 **each**.

11 pairs of football shorts at £10 **each**.

Trade Discount of 10% is to be allowed.

VAT of £51·97 is to be charged.

Complete the invoice which Football Crazy would send to Jayden Laporte.

Use today's date. **7**

Part B

Jung Hong and Yvette Perez are in partnership. The following figures relate to the year ending 31 December Year 2.

	£
Stock on 1 January Year 2	30,000
Sales	150,000
Purchases	70,000
Sales Returns	15,000
Rent Received	3,000
Expenses	40,000
Stock on 31 December Year 2	20,000

(*a*) Prepare the Trading and Profit and Loss Account for the year ending 31 December Year 2. **11**

Jung and Yvette's Partnership Agreement states that:

1 Jung is to receive a salary of £15,000;
2 residual profits/losses are to be split between Jung and Yvette in the ratio 2:1 respectively.

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

Jung and Yvette are considering converting to a plc.

(*c*) (i) **List 2** sources of finance available to plcs which are **not** available to partnerships. **4**

(ii) **State one** advantage of converting a partnership to a plc. **2**

(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**

Cameron plc operates a factory with 4 cost centres – X, Y, Z and the Canteen.

The following information relates to the estimated costs for Year 1.

Overhead	**Basis of Apportionment**	**Cost**
Rent	Floor Area (sq m)	£80,000
Supervision	Number of Employees	£60,000
Insurance of Machinery	Value of Machinery (£)	£20,000

The following information is available for the cost centres.

	X	**Y**	**Z**	**Canteen**	**Total**
Value of Machinery (£)	200,000	60,000	140,000		400,000
Number of Employees	10	8	16	6	40
Floor Area (sq m)	10,000	5,000	20,000	5,000	40,000

(*a*) **Prepare** the Overhead Analysis Sheet for Cameron plc to show the total estimated overhead apportioned to each cost centre. **13**

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

X 20%
Y 25%
Z 55% **4**

Part B

Koolcatz Petshop holds all its stock in a storeroom. Each of the items in the storeroom is recorded separately on a Stock Record Card.

On 1 May Year 1 the storeroom had a supply of 50 bags of cat litter which had cost £5 each.

The following issues and receipts of bags of cat litter took place in May.

DATE	**ISSUES/RECEIPTS**	**BAGS OF CAT LITTER**
5–May	Issues to the shop	20
9–May	Issues to the shop	25
20–May	Receipts from Supplier – Pets & Co	60 @ £5·50 each
25–May	Issues to the shop	45

Using the FIFO method of stock control **complete** the Stock Record Card **provided** to record the above. **11**

Part C

Name one industry which uses process costing. **2**

(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.

5. Part A

The following forecasted figures for Year 3 are available for Iqbal's card shop.

Cash Balance at end of April – £5,000.

	March	**April**	**May**	**June**	**July**
Sales (cash)	£2,500	£3,000	£2,800	£4,000	£3,600
Sales (credit)	£5,000	£2,700	£4,500	£3,700	£5,500
Purchases (credit)	£3,500	£3,300	£4,100	£3,800	£4,500

NOTES

1 Credit Sales are to be paid for **2 months after** they are sold.
2 Credit Purchases are to be paid for **one month after** they are bought.
3 Rent of £500 is paid each month. Rent will **increase by** 10% in July.
4 Wages of £2,000 are paid monthly.
5 Iqbal is to buy new shop fittings in May costing £8,000. He will pay half the cost in June and the rest in July.

Prepare the Cash Budget for 3 months May–July Year 3. **18**

Part B

Rapid Cabs plc operates 4 taxis in Edinburgh. The following annual costs are incurred.

1 Insurance for each vehicle £900
2 Taxi operator's licence at a cost of £50 for each vehicle
3 The drivers' wages totalled £42,200 per annum

(*a*) **Prepare** a statement to show the total annual cost of running the 4 taxis. **6**

The 4 taxis are estimated to cover a total of 200,000 miles per annum.

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

(*c*) **Name** any **2** documents involved in recording/calculating the drivers' wages. **4**

(30)

[Turn over for Question 6 on *Page eight*

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. Wimble plc produces tennis racquets which sell for £30 each.

Fixed Costs for May are £10,000.

Variable Costs are £10 per racquet.

(*a*) (i) **Construct** a break-even chart for May **clearly labelling** the following items.

1 Fixed Costs (FC)
2 Total Costs (TC)
3 Sales Revenue (SR)
4 Break-even Point (BEP) **8**

From the break-even chart:

(ii) **state** the break-even point in units; **1**

(iii) **state** the break-even point in sales value; **1**

(iv) **calculate** the profit/loss when 200 tennis racquets are sold; **4**

(v) **calculate** the profit/loss when 700 tennis racquets are sold. **4**

The following data relates to June.

- Fixed Costs have **risen by** £2,000
- Variable Costs **rise to** £20 per racquet
- Selling price **remains at** £30

(*b*) **Calculate** the new break-even point in **units**. **3**

(*c*) **Calculate** the new profit/loss if 1,400 racquets are sold. **5**

(*d*) **Explain** the meaning of the following terms.

(i) Fixed Cost **2**

(ii) Variable Cost **2**

(30)

[*END OF QUESTION PAPER*]

FOR OFFICIAL USE

X209/102

NATIONAL QUALIFICATIONS 2009

TUESDAY, 2 JUNE
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.

SA X209/102 6/720

Marks

Worksheet for Question 1

(*a*) (i)

SCOTTY'S SANDWICH SHOP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 DECEMBER YEAR 2

	£	£	£

10

Worksheet for Question 1(a) (continued)

(ii)

SCOTTY'S SANDWICH SHOP

BALANCE SHEET AS AT 31 DECEMBER YEAR 2

	£	£	£

16

Marks

Worksheet for Question 1 (continued)

(*b*) **Two** ratios used to compare the performance of Year 2 with Year 1 are:

1 ______________________________

____

2 ______________________________

______________________________ **4**

(30)

Marks

Worksheet for Question 2

(*a*) (i) **UPDATED BANK ACCOUNT ON 30 APRIL YEAR 1**

BANK ACCOUNT							
DATE	**DETAILS**	**DR**		**CR**		**BALANCE**	
Year 1		£	p	£	p	£	p

10

(ii) **BANK RECONCILIATION STATEMENT AS AT 30 APRIL YEAR 1**

	£	£

14

Marks

Worksheet for Question 2 (continued)

(*b*) (i) SO

2

(ii) DD

2

(iii) Credit Transfer

2

(30)

Marks

Worksheet for Question 3

Part A

INVOICE

Football Crazy
8 Pitz Place
EDINBURGH
EH4 6PN

Invoice No: 100385

Date:

TO: Jayden Laporte
4 Calaismuir Drive
DUNFERMLINE
KY11 9UZ

QUANTITY	DESCRIPTION	UNIT PRICE (£)	TOTAL (£)
11	Football Shirts		
11	Football Shorts		
	10% Trade Discount		
	Net Goods Value		
	VAT @ 17·5%		
	TOTAL		£

7

[Turn over

Marks

Worksheet for Question 3 (continued)

Part B

(*a*)

JUNG HONG AND YVETTE PEREZ

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 DECEMBER YEAR 2

	£	£	£

11

Marks

Worksheet for Question 3 Part B (continued)

(*b*)

JUNG HONG AND YVETTE PEREZ

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDING 31 DECEMBER YEAR 2

	£	£	£

6

Marks

Worksheet for Question 3 Part B (continued)

(*c*) (i) **Two** sources of finance available to plcs which are **not** available to partnerships are:

1 ____

2 ____ **4**

(ii) **One** advantage of converting a partnership to a plc.

____

____

____

____ **2**

(30)

Marks

Worksheet for Question 4

Part A

	OVERHEAD ANALYSIS SHEET FOR CAMERON PLC						
	Overhead	**Basis of Apportionment**	**X**	**Y**	**Z**	**Canteen**	
	Rent	Floor Area					
	Supervision	Number of Employees					
	Insurance of Machinery	Value of Machinery					
(*a*)	Departmental Totals						**13**
	Apportionment of Canteen Costs	Percentage					
(*b*)	Total Departmental Overheads						**4**

[Turn over

Marks

Worksheet for Question 4 (continued)

Part B

KOOLCATZ PETSHOP										
Stock Record Card								**Cat Litter (bags)**		
Date	**Details**	**Receipts**			**Issues**			**Balance**		
		Units	**£**	**Total**	**Units**	**£**	**Total**	**Units**	**£**	**Total**

11

Part C

Name of Industry ______________________________ **2**

(30)

Marks

Worksheet for Question 5

Part A

IQBAL'S CARD SHOP

CASH BUDGET FOR 3 MONTHS MAY–JULY YEAR 3

	May	June	July
	£	£	£

18

Marks

Worksheet for Question 5 (continued)

Part B

(*a*)

RAPID CABS plc

ANNUAL OPERATING STATEMENT

	£	£

6

(*b*)

CALCULATION OF COST PER MILE

2

(*c*) **Two** documents involved in recording/calculating drivers' wages are:

1 ______________________________

____

2 ______________________________

______________________________ **4**

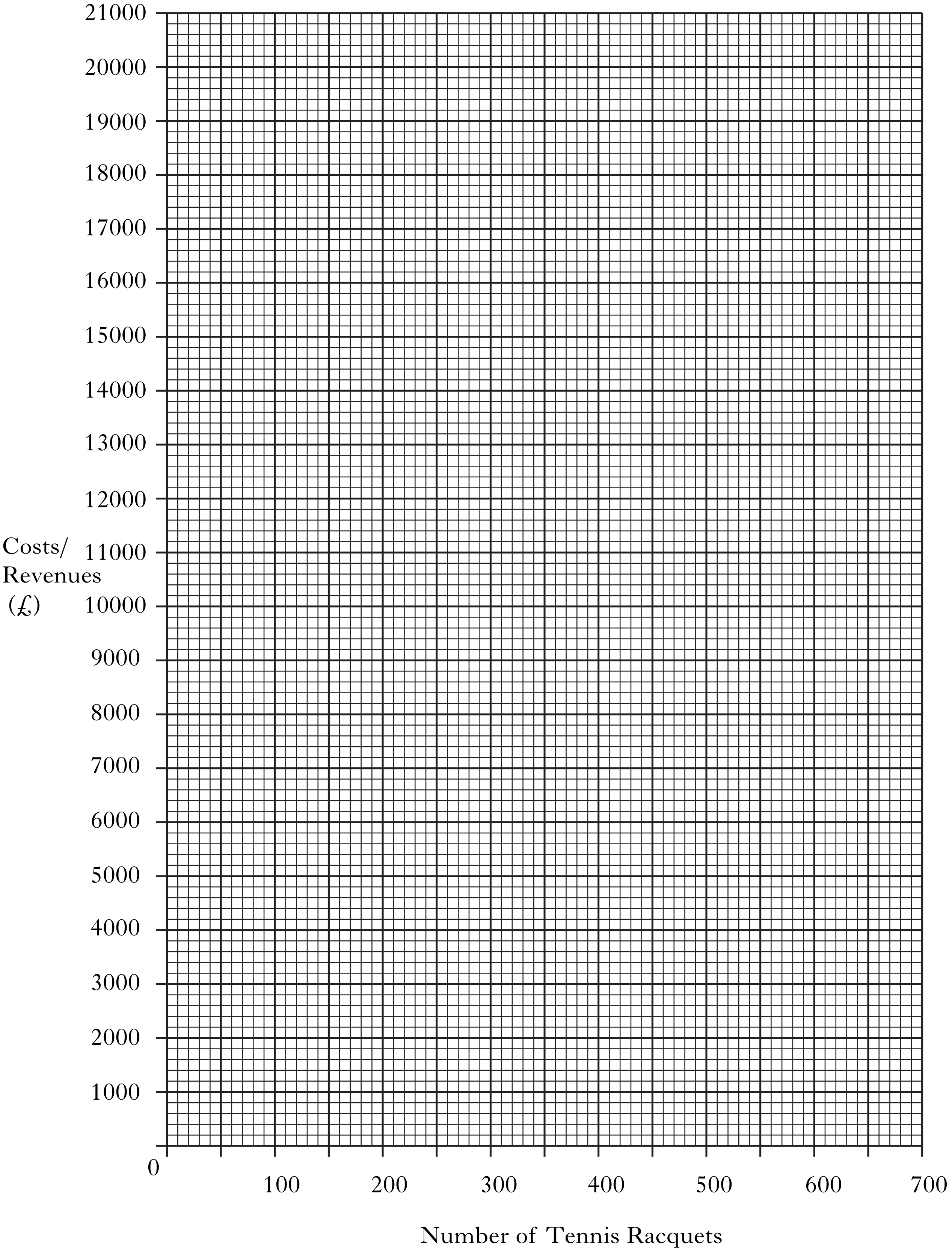
(30)

Marks

Worksheet for Question 6

(*a*) (i) **WIMBLE PLC**

BREAK-EVEN CHART FOR MAY



8

Marks

Worksheet for Question 6(*a*) (continued)

(ii) ______________________________ **1**

(iii) ______________________________ **1**

(iv) Calculation of profit/loss – 200 racquets sold.

4

(v) Calculation of profit/loss – 700 racquets sold.

4

(*b*) Calculation of new break-even point in units.

3

(*c*) Calculation of new profit/loss – 1,400 racquets sold.

5

Marks

Worksheet for Question 6 (continued)

(*d*) (i) Fixed Cost

2

(ii) Variable Cost

2

(30)

[*END OF WORKBOOK*]

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