X209/101

NATIONAL QUALIFICATIONS 2010

WEDNESDAY, 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.

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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 figures for Festival plc relate to the year ending 31 December Year 2.

	£000
Purchases	40
Sales	70
Stock (1 January Year 2)	10
Stock (31 December Year 2)	5
Debenture Interest Paid	2
Debenture Interest Due	2
Depreciation on Equipment for Year	10
Discount Received	8
Final Ordinary Dividend	3
Rent Paid	6
Unappropriated Profit from Year 1	15

(*a*) Using the figures above, **prepare** the Trading, Profit and Loss Accounts for the year ending 31 December Year 2, for internal use, showing the appropriation of profit. **14**

The following additional figures are available for Festival plc as at 31 December Year 2.

	£000
100,000 Ordinary Shares @ £1 each	100
Equipment (at cost)	150
Creditors	18
10% Debentures	40
Debtors	30
Bank Overdraft	10
Cash	20

(*b*) Using the relevant information from (*a*) and the figures above, **prepare** the Balance Sheet of Festival plc as at 31 December Year 2. **12**

(*c*) **State 2** duties of a financial accountant. **4**

(30)

[Turn over

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. Andy Wineriss started in business on 1 July Year 1 with capital of £10,000 which was put into a business bank account.

(*a*) Open the appropriate ledger accounts for Andy Wineriss and **record** the above information. **4**

INVOICE

Andy Wineriss
Midfield
Caesar Green
EDINBURGH
EH16 4MA

Invoice No: 4462997

Date: 3 July Year 1

To: Mega Fit Sports
South Queensferry Park
EDINBURGH
EH30 2XH

Quantity	Description	Unit Price	Total
50	Jogging Bottoms	£20·00	£1,000·00
20	Sweatshirts	£25·00	£500·00
			£1,500·00
	10% Trade discount		£150·00
	NET GOODS VALUE		£1,350·00
	VAT 17·5%		£212·62
	TOTAL		£1,562·62
	Terms: 10% one month		

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)

CREDIT NOTE

Andy Wineriss
Midfield
Caesar Green
EDINBURGH
EH16 4MA

Credit Note No: 2037

Date: 8 July Year 1

To: Mega Fit Sports
South Queensferry Park
EDINBURGH
EH30 2XH

Quantity	Description	Unit Price	Total
25	Jogging Bottoms (wrong colour)	£20·00	£500·00
	10% Trade discount		£50·00
	NET GOODS VALUE		£450·00
	VAT 17·5%		£70·87
	TOTAL		£520·87

Royal Highland Bank
69 Royal Mile Street
EDINBURGH
EH1 6NP

69–10–88

14 July Year 1

PAY Andy Wineriss

Nine hundred and fifty one pounds 75 pence £951·75

J Wilson

Mega Fit Sports

47789326 69–10–88 0018554

Note: The cheque received was in full settlement of the amount owing on 14 July Year 1.

(*b*) Using the documents and information provided make the necessary entries in the ledger accounts of Andy Wineriss. **22**

(*c*) Ermintrude is a sole trader and is considering going into business with Zebedee.

List 2 advantages of forming a partnership. **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.

3. The following figures are available for P McDonald.

	Year 1	**Year 2**
	£	**£**
Sales	50,000	70,000
Opening Stock	4,000	6,000
Closing Stock	6,000	2,000
Gross Profit	30,000	40,000
Expenses	10,000	5,000

(*a*) For **each** year **calculate**:

(i) Cost of Goods Sold; **4**

(ii) Net Profit. **4**

(*b*) For **each** year **calculate** the following ratios.

(i) Net Profit Ratio **4**

(ii) Rate of Stock Turnover **4**

The Petty Cash Statement shown below gives details of Rain & Drop's petty cash expenditure for the week beginning 1 March Year 1, from 1–4 March.

PETTY CASH STATEMENT

Date	**Details**	**PCV No**	**Cash In**	**Cash Out**	**Balance**	**Analysis Columns**			
						Travel	**Postage**	**Stationery**	**Misc**
01-Mar	Imprest		£50·00		£50·00				
01-Mar	Window Cleaner	1		£25·00	£25·00				£25·00
03-Mar	A4 Paper	2		£4·50	£20·50			£4·50	
04-Mar	Coffee, Tea	3		£5·60	£14·90				£5·60

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

3. (continued)

(*c*) **Complete** the Petty Cash Statement using the following PCVs. **7**

Petty Cash Voucher	PCV 4 05-Mar
DETAILS	**AMOUNT**
Bus Fare	£3·20
Total	£3·20
Signature: D Brown Passed by: C Delgado	

Petty Cash Voucher	PCV 5 07-Mar
DETAILS	**AMOUNT**
Stamps	£2·50
Total	£2·50
Signature: E White Passed by: C Delgado	

Petty Cash Voucher	PCV 6 08-Mar
DETAILS	**AMOUNT**
Milk	£2·40
Total	£2·40
Signature: F Black Passed by: C Delgado	

(*d*) **Restore** the imprest on 10 March Year 1. **3**

(*e*) **Explain any 2** of the following terms.

(i) Bank Charges

(ii) Bank Overdraft

(iii) Bank Statement **4**

(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

Felix Constantino holds all his stationery in a central store. Each of the items in the storeroom is recorded separately on a stock record card.

On 1 November Year 1 the storeroom has a supply of 50 boxes of pens which cost £6 each.

The following issues and receipts of boxes of pens took place in November.

Date	Issues/Receipts	Boxes of Pens
03-Nov	Issues to the Finance Department	30
15-Nov	Receipts from Suppliers – Staple & Co.	100 @ £6·50 each
22-Nov	Issues to the Purchases Department	40

(*a*) Using the FIFO method **complete** the stock record card to record the opening balance of boxes of pens, the above issues and receipts and the closing balance, including the value of stock. **12**

(*b*) **Name 2** documents used in the management of stock **other than** a stock record card. **4**

PART B

Cookie House plc produces gingerbread men in 2 processes, mixing and baking.

	Mixing	**Baking**
Inputs		
Materials	2,000 kg @ £2 per kg	From Mixing
Wages	£1,500	£2,100
Overheads	£500	£1,000
Outputs		
Waste	500 kg	200 kg
To Baking	Balance	
To Shop		Balance

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

(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

Buffers plc produces model trains.

Selling Price	£80 per train
Variable Cost	£30 per train
Total Fixed Costs £20,000	

(*a*) Using the information in the table above, **calculate** the:

(i) Contribution per unit; **2**

(ii) Break-even point in units; **2**

(iii) Break-even point in sales value. **2**

(*b*) If Fixed Costs rise to £25,000, **calculate** the profit or loss at an output and sales of 700 units. **6**

PART B

Mary and Mungo are partners who own a photography business. They employ Martha who works the following hours on Job 101.

Friday 5 hours
Saturday 7 hours
Sunday 4 hours

Martha is paid a basic rate of £10 per hour and double time on Sunday.

Martha is paid a bonus of 50p for each photograph sold above 200. She sold 260 photographs.

(*a*) **Calculate** the charge to Job 101 for Martha's labour. **7**

The following costs also relate to Job 101.

Travel Expenses £150
Materials £300
Other Expenses £80

Overheads £15 per labour hour worked.

(*b*) **Prepare** a Job Cost Statement to show the total cost of Job 101. **7**

(*c*) **List 2** bases which could be used to apportion overheads to cost centres. **4**

(30)

[Turn over for Question 6 on *Page ten*

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

The All Stars Outdoor Activity Centre is considering hiring a minibus. The following costs are estimated.

- Diesel £120 per week – the minibus **will not be** used for 4 weeks during the year.
- Insurance £105 per month.
- Annual hire charge £9,140.
- Other expenses £320 per month.

(*a*) **Prepare** a statement to show the total annual cost of running the minibus. **8**

The minibus is expected to cover 50,000 miles per year.

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

(*c*) **Calculate** the charge per mile if 50% profit is added to the cost per mile. **2**

PART B

The following forecasted figures are available to Benjamin Brown's business.

Cash balance at 1 March Year 1 £20,000.

	February	**March**	**April**
Sales (cash)	£1,500	£2,000	£3,500
Purchases	£1,000	£2,000	£3,000

Benjamin pays for his purchases **one month after** the month of purchase.

The following expenses have to be paid.

- Insurance – £100 monthly. This is to be **increased** by 25% per month starting in April.
- Petrol – £200 monthly.
- Salaries – £1,000 monthly.
- Benjamin is to purchase a new van in February costing £10,000. He will pay half the cost in March and the rest in April.

Using the information above, **prepare** Benjamin's Cash Budget for the 2 months, March and April. **14**

PART C

Explain the terms:

(i) Fixed Costs, and

(ii) Variable Costs. **4**

(30)

[*END OF QUESTION PAPER*]

FOR OFFICIAL USE

Mark

X209/102

NATIONAL QUALIFICATIONS 2010

WEDNESDAY, 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.

Marks

Worksheet for Question 1

(*a*)

FESTIVAL PLC

TRADING, PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER YEAR 2

	£	£	£

14

Marks

Worksheet for Question 1 (continued)

(*b*)

FESTIVAL PLC

BALANCE SHEET AS AT 31 DECEMBER YEAR 2

	£	£	£

12

Marks

Worksheet for Question 1 (continued)

(*c*) **State 2** duties of a financial accountant.

1 ____

____

2 ____

____ **4**

(30)

Marks

Worksheet for Questions 2 (*a*) and (*b*)

IN THE LEDGER OF ANDY WINERISS

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

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

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

Marks

Worksheet for Questions 2 (*a*) and (*b*) (continued)

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

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

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

Marks

Worksheet for Questions 2 (*a*) and (*b*) (continued)

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

26

(*c*) **List 2** advantages of forming a partnership.

1 ____

____

2 ____

____ **4**

(30)

[Turn over

Marks

Worksheet for Question 3

(*a*)

YEAR 1	YEAR 2
(i) COST OF GOODS SOLD	**(i) COST OF GOODS SOLD**
(ii) NET PROFIT	**(ii) NET PROFIT**

4

4

(*b*)

YEAR 1	YEAR 2
(i) NET PROFIT RATIO	**(i) NET PROFIT RATIO**
(ii) RATE OF STOCK TURNOVER	**(ii) RATE OF STOCK TURNOVER**

4

4

Marks

Worksheet for Question 3 (continued)

(*c*) and (*d*)

PETTY CASH STATEMENT									
Date	**Details**	**PCV No**	**Cash In**	**Cash Out**	**Balance**	**Analysis Columns**			
						Travel	**Postage**	**Stationery**	**Misc**
01-Mar	Imprest		£50·00		£50·00				
01-Mar	Window Cleaner	1		£25·00	£25·00				£25·00
03-Mar	A4 Paper	2		£4·50	£20·50			£4·50	
04-Mar	Coffee, Tea	3		£5·60	£14·90				£5·60

10

(*e*) Term ______________________________

Explanation ______________________________

____

Term ______________________________

Explanation ______________________________

______________________________ **4**

(30)

Marks

Worksheet for Question 4

PART A

(*a*)

STOCK RECORD CARD				
				Item: Boxes of Pens
Date	**Details**	**Receipts**	**Issues**	**Balance**

12

Marks

Worksheet for Question 4 PART A (continued)

(*b*) **Name 2** documents used in the management of stock **other than** a stock record card.

1 ____

2 ____ **4**

(30)

[Turn over

Worksheet for Question 4 PART B

MIXING ACCOUNT

COST PER KG

Worksheet for Question 4 PART B (continued)

BAKING ACCOUNT

COST PER KG

14
(30)

Marks

Worksheet for Question 5

PART A

(*a*)

(i) CONTRIBUTION PER UNIT		2
(ii) BREAK-EVEN POINT IN UNITS		2
(iii) BREAK-EVEN POINT IN SALES VALUE		2

(*b*)

CALCULATION OF PROFIT/LOSS	6

Marks

Worksheet for Question 5 (continued)

PART B

(*a*) **CHARGE TO JOB 101 FOR MARTHA'S LABOUR**

7

(*b*) **JOB COST STATEMENT – JOB 101**

7

(*c*) **List 2** bases which could be used to apportion overheads to cost centres.

1 ______________________________

____

2 ______________________________

______________________________ 4

(30)

Marks

Worksheet for Question 6

PART A

(*a*)

TOTAL ANNUAL COST OF RUNNING THE MINIBUS

8

(*b*)

COST PER MILE

2

(*c*)

CHARGE PER MILE

2

Worksheet for Question 6 (continued)

PART B

BENJAMIN BROWN

CASH BUDGET FOR THE 2 MONTHS, MARCH AND APRIL

	MARCH	APRIL
	£	£

14

[Turn over for Question 6 PART C on *Page eighteen*

Marks

Worksheet for Question 6 (continued)

PART C

(i) Fixed Costs

(ii) Variable Costs

4
(30)

[*END OF WORKBOOK*]

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QUESTION	MARK
1	
2	
3	
4	
5	
6	