

# X209/10/01

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NATIONAL  
QUALIFICATIONS  
2012

FRIDAY, 11 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.**



**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 Torviscas plc for the year ended 31 December Year 2, **after** the Trading Account had been completed.

**Trial Balance as at 31 December Year 2**

	<b>Dr</b>	<b>Cr</b>
	<b>£000</b>	<b>£000</b>
Gross Profit		140
Revenues		25
Expenses	50	
Unappropriated Profit at 1 January Year 2		50
Debenture Interest	6	
100,000 Ordinary Shares at £1 each		100
10% Debentures		60
Debtors	64	
Creditors		45
Bank	60	
VAT		25
Machinery (at cost)	40	
Provision for Depreciation on Machinery at 1 January Year 2		20
Buildings (at cost)	160	
Cash	35	
Stock at 31 December Year 2	50	
	<b>£465</b>	<b>£465</b>

**NOTES AT 31 DECEMBER YEAR 2**

- 1 Expenses prepaid £5,000.
- 2 Revenue owing £2,000.
- 3 Depreciation on Machinery is to be provided at 10% on cost.
- 4 Provide for Corporation Tax of £28,000 on the year's profits.
- 5 The Directors propose that the Ordinary Share dividend of 10% be paid.

Using the figures above **prepare**, for internal use, the Profit and Loss Account (including appropriation of available profits) for the year ended 31 December Year 2 and a Balance Sheet at that date.

**(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.**

2. The following figures are available from the ledger of Khan Dowell, a sole trader, for the year ended 31 December Year 2.

	<b>Dr</b>	<b>Cr</b>
	<b>£000</b>	<b>£000</b>
Sales		200
Purchases	90	
Stock at 1 January Year 2	50	
Discount Received		10
Carriage In	1	
Purchases Returns		3
Sales Returns	20	
Rent	8	
Carriage Out	2	
Wages	10	
Insurance	12	
Electricity	16	
Bad Debts	4	

**NOTES AT 31 DECEMBER YEAR 2**      **£000's**

1	Stock	30
2	Depreciation of Equipment for year	2
3	Insurance prepaid	6
4	Wages owing	4

- (a) Using the figures above **prepare** the Trading, Profit and Loss Accounts for the year ended 31 December Year 2. **24**

- (b) **List 3** accounting ratios that could be prepared from the Trading, Profit and Loss Accounts prepared in part (a). **6**

**(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.

### 3. PART A

The Petty Cash Vouchers shown below give details of Tee & Coffey's petty cash expenditure for the week beginning 1 September Year 2.

The petty cash imprest on 1 September Year 2 was £50. **This has already been recorded on the Petty Cash Statement.**

<b>Petty Cash Voucher</b>	<b>PCV 10</b> 01-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
Bus Fare	£2.50
<b>Total</b>	£2.50
Signature: <i>J Fernandez</i>	
Passed by: <i>M Magoo</i>	

<b>Petty Cash Voucher</b>	<b>PCV 11</b> 03-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
Coffee	£3.85
<b>Total</b>	£3.85
Signature: <i>K Van der Byl</i>	
Passed by: <i>M Magoo</i>	

<b>Petty Cash Voucher</b>	<b>PCV 12</b> 04-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
Window Cleaner	£20.00
<b>Total</b>	£20.00
Signature: <i>A Carmichael</i>	
Passed by: <i>M Magoo</i>	

<b>Petty Cash Voucher</b>	<b>PCV 13</b> 05-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
A4 Paper	£5.50
<b>Total</b>	£5.50
Signature: <i>S Tee</i>	
Passed by: <i>M Magoo</i>	

<b>Petty Cash Voucher</b>	<b>PCV 14</b> 06-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
Envelopes	£3.75
<b>Total</b>	£3.75
Signature: <i>J Wilson</i>	
Passed by: <i>M Magoo</i>	

<b>Petty Cash Voucher</b>	<b>PCV 15</b> 07-Sep
<b>DETAILS</b>	<b>AMOUNT</b>
Stamps	£4.60
<b>Total</b>	£4.60
Signature: <i>V Stuart</i>	
Passed by: <i>M Magoo</i>	

**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 (continued)**

- (a) **Complete** Tee & Coffey's Petty Cash Statement using the Petty Cash Vouchers on *Page four* for the first week in September Year 2. **13**
- (b) **Restore** the imprest on 8 September Year 2. **3**

**PART B**

Archie McDonald sold the following goods on credit to Great Gardens plc.

- 5 shovels at £25 each
- 5 hand trowels at £8 each
- Trade discount of 20% is allowed
- VAT of 20% is to be charged

**Complete** the invoice which Archie McDonald would send to Great Gardens plc. **Use today's date.** **8**

**PART C**

**List 3** advantages of forming a partnership. **6**  
**(30)**

[END OF SECTION A]

**[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**

Eugenio runs his own restaurant which is open 52 weeks of the year. He expects the following costs:

Rent	£39,000 per year
Laundry	£50 per week
Food and Drink	£40,080 per year
Insurance	£300 per month
Wages	2 waiting staff each working a 35 hour week @ £8 per hour

- (a) Using the figures above **prepare** a statement to show the total annual cost of running the restaurant. **10**

The restaurant is expected to provide 100 meals **per week**.

- (b) **Calculate** the average cost per meal. **3**

**PART B**

Siam plc manufacture cakes in 2 processes—Baking and Decorating.

	BAKING	DECORATING
<b>INPUTS</b>		
Materials	2,000 kg @ £2	From Baking PLUS 500 kg @ £3
Labour	£4,500	£7,000
Overheads	£2,300	£500
<b>OUTPUTS</b>		
Waste	200 kg	100 kg
To Decorating	Balance	
To Shop		Balance

**Prepare** the process accounts for Baking **and** Decorating showing clearly the cost per kg for each process. **17**

**(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 are available for Heather McMorran.

Cash balance at the start of June — £20,000.

	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>
Sales (cash)	£70,000	£75,000	£80,000	£105,000	£85,000
Sales (credit)	£30,000	£35,000	£20,000	£25,000	£22,000
Purchases (credit)	£60,000	£75,000	£85,000	£130,000	£120,000

- Heather allows credit customers to pay in full **2 months after** the sale takes place.
- Heather will receive a bank loan in August – £10,000.
- Heather pays in full for purchases **one month after** the month of purchase.

The following expenses are to be paid:

- Wages – £3,000 each month.
- A vehicle costing £10,000, purchased in April, will be paid for in 5 equal monthly instalments starting in May.

Using the information above, **prepare** Heather's Cash Budget for the 3 months June-August.

**12**

**PART B**

Scott and David are partners who own a joinery business. They also employ Emma who works the following hours on Job 5656.

Monday            7 hours  
Wednesday       5 hours  
Sunday            4 hours

Emma is paid a basic rate of £25 per hour and is paid double time on a Sunday.

Emma also receives a bonus of £50 if she completes the job in less than 20 hours.

(a) **Calculate** the charge to Job 5656 for Emma's labour.

**5**

In addition to the labour charge the following costs also relate to Job 5656.

Material X        50 metres @ £20 per metre  
Material Y        100 metres @ £30 per metre  
Overheads        £15 per labour hour worked

(b) **Prepare** a Job Cost Statement to show the total cost of Job 5656.

**7**

**PART C**

**List 3** advantages of using a spreadsheet to calculate wages.

**6**

**(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

Vexhim plc runs a factory which has 4 cost centres – X, Y, Z and the Canteen.

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

<b>X</b>	£10,000
<b>Y</b>	£15,000
<b>Z</b>	£30,000
<b>Canteen</b>	£8,000
<b>Total</b>	£63,000

The following estimated costs are for Year 2.

OVERHEAD	BASIS OF APPORTIONMENT	COST (£)
Rent and Rates	Floor Area (sq m)	30,000
Supervision	No of Employees	20,000
Insurance of Machinery	Value of Machinery (£)	12,000

The following information is available for the cost centres.

	Floor Area (sq m)	No of Employees	Value of Machinery (£)
<b>X</b>	10,000	10	50,000
<b>Y</b>	15,000	15	15,000
<b>Z</b>	10,000	20	35,000
<b>Canteen</b>	5,000	5	
<b>Total</b>	40,000	50	100,000

(a) **Complete** the Overhead Analysis Sheet for Vexhim plc 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:

- X 30%
- Y 20%
- Z 50%

3



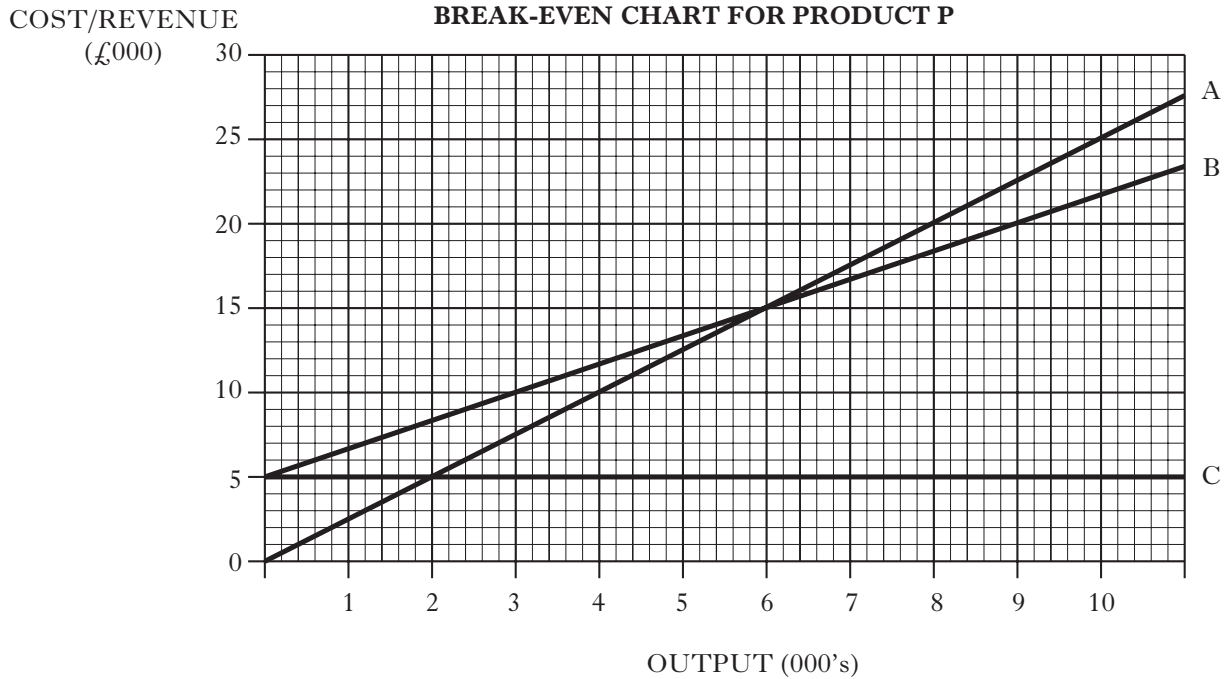
Any incorrect figure not supported by adequate working will receive no marks.

Marks

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

6. (continued)

**PART B**



(a) **Name** the following lines on the break-even graph.

(i) A

(ii) B

(iii) C

(b) **State** the break-even point in units.

(c) **Calculate** the selling price of one unit.

6

**PART C**

(a) **Name one** method of Stock Valuation.

2

(b) **Name 2** documents used in the management of stock.

4

(30)

[END OF QUESTION PAPER]

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FOR OFFICIAL USE

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Mark

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**X209/10/11**

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2012

FRIDAY, 11 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

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Town

--

Forename(s)

--

Surname

--

Date of birth

Day    Month    Year

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Scottish candidate number

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Number of seat

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



**Worksheet for Question 1**

<b>Torviscas plc</b> <b>Profit and Loss Account for year ended 31 December Year 2</b>	£000	£000	£000







**Worksheet for Question 2 (continued)**

*Marks*

(b) **List 3** accounting ratios that could be prepared from the Trading, Profit and Loss Accounts prepared in part (a).

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_


**6**

**(30)**

**[Turn over**



**PART B**

<h2 style="margin: 0;">INVOICE</h2>			
Archie McDonald 44 Goroamin Road GLASGOW G4 6PP		 <b>Invoice No: 7834</b>  <b>Date:</b> _____	
To: Great Gardens plc 8 Weston Green EDINBURGH EH4 7TP			
QUANTITY	DESCRIPTION	UNIT PRICE (£)	COST (£)
	20% Trade Discount		
	VAT @ 20%		
	TOTAL		

8

**PART C**

List 3 advantages of forming a partnership.

1 \_\_\_\_\_  
 \_\_\_\_\_

2 \_\_\_\_\_  
 \_\_\_\_\_

3 \_\_\_\_\_  
 \_\_\_\_\_

6  
(30)





**PART B - Alternative Layout**

<b>Baking Process Account</b>						
	<b>Kg</b>	<b>£</b>	<b>£</b>	<b>Kg</b>	<b>£</b>	<b>£</b>

<b>Decorating Process Account</b>						
	<b>Kg</b>	<b>£</b>	<b>£</b>	<b>Kg</b>	<b>£</b>	<b>£</b>



**PART B**

(a)

5

(b)

**Job Cost Statement - Job 5656**

	£	£
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7

**PART C**

**List 3** advantages of using a spreadsheet to calculate wages.

- 1 \_\_\_\_\_  
\_\_\_\_\_
- 2 \_\_\_\_\_  
\_\_\_\_\_
- 3 \_\_\_\_\_  
\_\_\_\_\_

6

**(30)**



Worksheet for Question 6—PART A

Vexhim plc Overhead Analysis Sheet

Overhead	Basis	Total	Rate	X	Y	Z	Canteen
(a) Indirect Wages	Allocated						
Rent and Rates	Floor Area (sq m)						
Supervision	No of Employees						
Insurance of Machinery	Value of Machinery (£)						
	<b>DEPARTMENT TOTALS</b>						
(b) Re-apportionment Canteen	%						
	<b>TOTAL DEPARTMENTAL OVERHEADS</b>						

**PART B**

<b>Line</b>	<b>Name</b>
(i) A	
(ii) B	
(iii) B	

(a)

(b)

(b)

(c)

(c)

**PART C**

(a) **Name one** method of Stock Valuation.

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2

(b) **Name 2** documents used in the management of stock.

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4

(30)

[END OF WORKBOOK]

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