

FOR OFFICIAL USE

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KU HI

Total

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**0010/29/01**

NATIONAL  
QUALIFICATIONS  
2012

TUESDAY, 29 MAY  
10.35 AM – 12.05 PM

ACCOUNTING AND  
FINANCE  
STANDARD GRADE  
General Level

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day Month Year

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Scottish candidate number

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Number of seat

- 1 Check that a Document pack for use with Question 2(a) has been provided.
- 2 Answer **all** the questions.
- 3 Read each question carefully.
- 4 Write your answers in the spaces provided.
- 5 Do **not** write in the margins.
- 6 Calculators may be used.
- 7 Before leaving the examination room you must give this book to the Invigilator. If you do not, you may lose all the marks for this paper.



1. The Cookware Shop, owned by Sue Baker and Rachel Owen, returned the following goods which had been bought on credit from Kitchen Supplies.

Marks

1 Food Mixer @ £125  
5 China Teapots @ £28 each

15% Trade Discount is allowed on all orders.

**Total VAT for the goods is £45.05**

- (a) Complete the Credit Note below that Kitchen Supplies would send to The Cookware Shop.

KU	HI

## CREDIT NOTE

**KITCHEN SUPPLIES**

**47 High Street**

**INVERNESS**

**IV40 7PJ**



**No: 2714**

**VAT No: 716 992 817**

**Date: 14 April 2012**

**Tel: 01463 894950**

**E-mail: KitchenSupplies@btinternet.com**

To: The Cookware Shop

79 Bank Street

GALASHIELS

TD1 2UE

Quantity	Description	Unit Price		Cost	
		£	p	£	p
	Less 15% Trade Discount				
	Net Goods Value				
	Add VAT @ 20%				
	<b>Total</b>				

Marks

**1. (continued)**

KU	HI
6	
2	
6	

(b) Name the accounts used to record the Credit Note in the ledger of Kitchen Supplies.

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(c) What type of business organisation is The Cookware Shop?

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(d) Sue and Rachel would like to expand the business by opening another shop. Name 3 sources of finance which would help them to do this.

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**[Turn over**

2. (a) **Using the Document Pack provided** make the necessary entries in the ledger accounts of Ricky Watson.

**Ledger of Ricky Watson**

Account Name <u>Bank</u>		Number <u>1</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p
1/4/2012	Balance	1,500	00			1,500	00

Account Name _____		Number <u>2</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name _____		Number <u>3</u>					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

2. (a) (continued)

Marks

KU	HI

Account Name _____		Number _____ 4 _____					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name _____		Number _____ 5 _____					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name _____		Number _____ 6 _____					
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

25



Marks

KU	HI
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3. (a) Using the information below, complete the following Trial Balance for Sam Buckley, a sole trader, on 30 April 2012.

Debtors	£4,490	Discount Received	£260
Advertising	£1,250	Vehicles	£12,000
Sales	£29,710	Loan	£3,000
Creditors	£3,900	Drawings	£5,400
Sales Returns	£650	Carriage In	£700
Capital	£5,840	Purchases	£18,220

<b>Sam Buckley</b>		
<b>Trial Balance as at 30 April 2012</b>		
	Dr £	Cr £
	£	£

13

[Turn over

**3. (continued)**

(b) Sam has received cash discount from one of his suppliers. Suggest **one** reason for this.

\_\_\_\_\_

2

(c) Explain the accounting term “drawings”.

\_\_\_\_\_

\_\_\_\_\_

2

(d) Sam is Treasurer of the local bowling club. Name this type of organisation.

\_\_\_\_\_

2

(e) Identify the financial statement which Sam would prepare each month to check the club’s bank account balance.

\_\_\_\_\_

2

(f) Explain the following terms.

Subscriptions \_\_\_\_\_

\_\_\_\_\_

Accumulated Fund \_\_\_\_\_

\_\_\_\_\_

4

Marks

KU	HI



**[Turn over for Question 4 on *Page ten***



Marks

KU	HI
5	

**4. (continued)**

- (b) Select the information from the previous page and prepare the “Financed By” section of Westend plc’s Balance Sheet as at 31 March 2012.

**Westend plc  
Balance Sheet (extract) as at 31 March 2012**

**Financed by:**

£ £

[Turn over

4. (continued)

(c) Who owns Westend plc?

\_\_\_\_\_

(d) Who is responsible for the day-to-day running of Westend plc?

\_\_\_\_\_

(e) Explain what is meant by **limited liability** in relation to a plc.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(f) Explain 2 main differences between debentures and ordinary shares.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<i>Marks</i>	DO NOT WRITE IN THIS MARGIN	
	KU	HI
2		
2		
2		
4		

Marks

KU	HI
<b>3</b>	
<b>3</b>	

5. Mary Moffat, a sole trader, provides the following financial information.

Turnover	£160,000
Net Profit	£48,000
Opening Capital	£240,000
Current Assets	£52,500
Drawings	£30,000
Closing Capital	£258,000
Current Liabilities	£21,000
Mortgage	£40,000

(a) Calculate Mary’s Working Capital Ratio.

(b) Calculate Mary’s Return on Capital Invested.

**5. (continued)**

(c) Name **2** other ratios that Mary may calculate from her final accounts.

\_\_\_\_\_

\_\_\_\_\_

Marks	Marks	
	KU	HI
4		
4		
4		
2		
2		

(d) State **2** reasons why Mary calculates accounting ratios.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(e) Suggest **2** reasons why Mary's closing capital might be less than her opening capital.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(f) (i) Explain the difference between Current Liabilities and Long-term Liabilities.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(ii) Give **one** example of each.

Current Liability \_\_\_\_\_

Long-term Liability \_\_\_\_\_

**5. (continued)**

<i>Marks</i>	KU	HI
	2	
	2	

(g) (i) Explain the difference between a Fixed Asset and a Current Asset.

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(ii) Give **one** example of each.

Fixed Asset \_\_\_\_\_

Current Asset \_\_\_\_\_

**[Turn over for Question 6 on Page sixteen**

Marks

6. Anne Cunningham proposes to make and sell hand-painted jewellery boxes. She has provided the following information.

Fixed Costs £500

Variable Costs £5 per unit

Selling Price £10 per unit

- (a) Using the information above complete the following table.

Units	Fixed Costs	Variable Costs	Revenue	Profit/Loss
0				
50				
100				
150				

14

- (b) How many units must Anne sell to break even?

\_\_\_\_\_

2

- (c) Explain the meaning of the following terms and give **one** example of each.

- (i) Fixed Costs

\_\_\_\_\_  
\_\_\_\_\_

Example \_\_\_\_\_

3

- (ii) Variable Costs

\_\_\_\_\_  
\_\_\_\_\_

Example \_\_\_\_\_

3

[END OF QUESTION PAPER]



**0010/29/11**

NATIONAL  
QUALIFICATIONS  
2012

TUESDAY, 29 MAY  
10.35 AM – 12.05 PM

ACCOUNTING AND  
FINANCE

STANDARD GRADE

General Level

Document pack for use with  
Question 2(a)

**Do not return with your examination booklet.**



2. (a) Use the following documents to complete the ledger accounts of Ricky Watson, who owns a caravan accessories shop.

Quantity	Description	Goods	VAT	Total
2	Remote Movers	£1,000.00	£200.00	£1,200.00
6	40 litre Water Tanks	£210.00	£42.00	£252.00
		£1,210.00	£242.00	£1,452.00

# INVOICE

No: 59



**CARAVAN SUPPLIES**  
**6-9 North Bridge Industrial Estate**  
**EDINBURGH**  
**EH6 7UF**


Tel: 0131 425 6129

VAT No: 406 123 460

To: Ricky Watson  
 10 Sandyhills Road  
 DUMFRIES  
 DF1 6TX

Date: 2 April 2012

2. (a) (continued)

	<h1 style="margin: 0;">CREDIT NOTE</h1>	<p><b>No: 16</b></p>
<p><b>CARAVAN SUPPLIES</b>  <b>6-9 North Bridge Industrial Estate</b>  <b>EDINBURGH</b>  <b>EH6 7UF</b></p>		
<p>Tel: 0131 425 6129</p>	<p>VAT No: 406 123 460</p>	
<p>To: Ricky Watson          10 Sandyhills Road          DUMFRIES          DF1 6TX</p>	<p>Date: 9 April 2012</p>	

Quantity	Description	Goods	VAT	Total
1	Remote Mover	£500.00	£100.00	£600.00
		£500.00	£100.00	£600.00

Cheque Counterfoil <i>14 April 2012</i>
<i>Caravan Supplies</i>
<i>(in full settlement)</i>
£795.00
001931

[END OF DOCUMENT PACK]

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