

X209/10/01

NATIONAL
QUALIFICATIONS
2013

THURSDAY, 9 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. Oliver and James are in partnership. The following figures relate to the year ending 31 December Year 3.

	£000
Sales	410
Sales Returns	10
Purchases	160
Purchases Returns	60
Stock — 1 January Year 3	20
Stock — 31 December Year 3	25
Discount Received	5
Expenses Paid	73
Prepaid Expenses	3

- (a) **Prepare** a Trading and Profit and Loss Account for the year ending 31 December Year 3.

13

The following information is also available for the year ending 31 December Year 3.

	£000
Salary: Oliver	15
Drawings: Oliver	80
James	60
Capital Accounts on 1 January Year 3: Oliver	100
James	80
Current Accounts on 1 January Year 3: Oliver	30 (Cr)
James	20 (Cr)

The Partnership Agreement states that profits/losses are to be split between Oliver and James in the ratio 2:1 respectively.

- (b) Using the information above **and** the information from (a), **prepare** the:

(i) Profit and Loss Appropriation Account of the partnership for the year ending 31 December Year 3;

6

(ii) Current Accounts of **each** partner for the year ending 31 December Year 3.

7

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

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.

2. PART A

The following balances were extracted from the ledger of Matthew Stevenson at 1 January Year 2.

Bank	£1,500 (Dr)
Equipment	£5,000
H Samson (Debtor)	£300

(a) **Enter** the balances above into the appropriate ledger accounts.

3

(b) Using the following information **complete** the entries in the ledger accounts of Matthew, opening new accounts as necessary.

2 January	Purchased goods £500 (plus £100 VAT) on credit from Cameron plc
3 January	Received a cheque from H Samson (Debtor) for £250 in full settlement of the amount owed

15

PART B

The following figures are available for Maria Mendez, a sole trader, for Year 1.

	£000
Sales	300
Opening Stock	11
Closing Stock	13
Cost of Goods Sold	180
Gross Profit	120
Net Profit	90

Calculate the following ratios:

(a) Gross Profit Ratio

2

(b) Net Profit Ratio

2

(c) Average Stock

2

(d) Rate of Stock Turnover

2

PART C

Give an example of:

(a) Capital Expenditure

2

(b) Revenue Expenditure.

2

(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.

3. PART A

The Petty Cash Statement shown below gives details of East and West's petty cash expenditure for the week beginning 1 February Year 2.

PETTY CASH STATEMENT									
Date	Details	PCV No	Cash In	Cash Out	Balance	Analysis Columns			
						Cleaning	Postage	Stationery	Travel
01 Feb	Imprest		£100.00		£100.00				
01 Feb	Bus Fare	1		£5.00	£95.00				£5.00
02 Feb	Cleaning Fluid	2		£7.00	£88.00	£7.00			
03 Feb	String and Pens	3		£4.50	£83.50			£4.50	

The vouchers below have still to be recorded.

Petty Cash Voucher	PCV 4 04-Feb
DETAILS	AMOUNT
Envelopes	£6.75
Total	£6.75
Signature: <i>M East</i>	
Passed by: <i>D Houston</i>	

Petty Cash Voucher	PCV 5 04-Feb
DETAILS	AMOUNT
Stamps	£25.25
Total	£25.25
Signature: <i>R West</i>	
Passed by: <i>D Houston</i>	

Petty Cash Voucher	PCV 6 05-Feb
DETAILS	AMOUNT
Taxi Fare	£32.00
Total	£32.00
Signature: <i>M East</i>	
Passed by: <i>D Houston</i>	

Petty Cash Voucher	PCV 7 05-Feb
DETAILS	AMOUNT
Window Cleaner	£15.00
Total	£15.00
Signature: <i>R West</i>	
Passed by: <i>D Houston</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** East & West's Petty Cash Statement using the Petty Cash Vouchers on *Page four* for the first week in February Year 2. **9**
- (b) **Restore** the imprest on 8 February Year 2. **3**

PART B

On 30 September Year 1:

- the Bank Account in the books of Martin Davidson showed a debit balance of £535.
- the balance on the Bank Statement, received from the bank, showed a credit balance of £675.

On checking the Bank Statement against his records Martin found the following differences.

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

Interest Received — £30
Direct Debit — £90
Bank Charges — £50

- (a) Using the information above **update** the Bank Account at 30 September Year 1. **8**

ITEMS WHICH APPEARED IN THE RECORDS OF MARTIN BUT DID NOT APPEAR IN THE BANK STATEMENT.

Cash takings of £200 deposited in the night safe of the bank after closing hours on 30 September Year 1.

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

Corolla & Co — £450

- (b) **Prepare** the Bank Reconciliation Statement of Martin Davidson as at 30 September Year 1. **6**

PART C

Explain the following terms:

- (a) Cash Discount
- (b) Trade Discount **4**

(30)

[END OF SECTION A]

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

The following forecasted figures for Year 2 are available for Braxton plc.

Cash balance at 1 May — £20,000.

	March	April	May	June	July
Sales (cash)	£5,550	£6,000	£7,500	£5,500	£6,000
Sales (credit)	£8,000	£10,000	£11,500	£19,500	£12,300
Purchases (credit)	£6,600	£4,500	£9,000	£6,400	£3,800

NOTES

- 1 Credit purchases are to be paid for **2 months after** they are bought.
- 2 Credit sales are to be paid for **one month after** they are sold.
- 3 Petrol paid monthly — £400.
- 4 Insurance paid monthly £500. The monthly payment will **increase** by 20% in June.
- 5 Wages — £15,000 monthly.
- 6 An advertising campaign costing £10,000 is to be paid for in 2 equal instalments in June and July.

Prepare a cash budget for Braxton plc for the 3 months May–July Year 2 showing clearly the closing balance at the end of each month.

20

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

Craigie plc uses a spreadsheet to calculate wages.

	A	B	C	D	E	F
1	Wages-Week 2					
2						
3		Rate	Hours	Gross Pay	Income Tax	Net Pay
4	Leila Wallace	£15	40	?	£144.00	?
5	Asim Azad	£20	35		£168.00	
6	Julia Rogers	£10	40		£96.00	
7	TOTAL					?

State an appropriate formula for cells:

(a) D4;

(b) F4;

(c) F7.

6

PART C

State 2 advantages of using spreadsheets in accounting.

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.

5. PART A

Toni Thompson runs a guest house, which is open all year. It is expected to have 4,000 guest nights next year.

Toni estimates the following costs:

- 1 Cleaning – £200 per week
- 2 Insurance – £700 per month
- 3 Electricity/Gas – £500 per month
- 4 Breakfast consumables – £4 per guest
- 5 Other expenses – £500 per half year
- 6 Wages of Anna, the catering assistant – £150 per week (she helps Toni during peak times – 8 weeks per year)
- 7 Rent – £41,000 annually.

- (a) **Prepare** a statement to show the total annual cost of running the guest house. **14**
- (b) **Calculate** the cost per guest night of running the guest house. **2**

PART B

Pandarama plc produces luxury toy bears which sell for £40 each.

Fixed Costs are £20,000.

Variable Costs are £15 per bear.

From the information above **calculate the:**

- (a) contribution per unit; **2**
- (b) break-even point in units; **2**
- (c) break-even point in sales value; **2**
- (d) profit/loss when 1,000 bears are sold. **4**

PART C

Explain the following terms used in the calculation of wages:

- (a) Time Rate **2**
- (b) Piece Rate **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.

6. PART A

Bamboozle plc operates a factory with 3 cost centres — Dept E, Dept F, and the Canteen.

Indirect wages are to be **allocated** for Year 4 as follows.

	Production Departments		Service Department
Total	Dept E	Dept F	Canteen
£100,000	£30,000	£50,000	£20,000

The following estimated costs are for Year 4.

OVERHEAD	BASIS OF APPORTIONMENT	COST
Electricity	Floor Area (sq m)	£40,000
Supervision	No of Employees	£20,000
Insurance of Machinery	Value of Machinery (£)	£12,000

The following information is available for the cost centres.

	Production Departments		Service Department	
	Dept E	Dept F	Canteen	Total
Floor Area (sq m)	7,000	10,000	3,000	20,000
No of Employees	10	35	5	50
Value of Machinery (£)	20,000	30,000		50,000

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

11

(b) **Re-apportion** the Canteen costs between the other 2 cost centres based on the following percentages:

Dept E 60%

Dept F 40%

3

(c) (i) **State one** basis which could be used to calculate Overhead Absorption Rates.

2

(ii) **Show** the formula which would be used to calculate this.

2

[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 B

Poppy and Daisy manufacture cookies in 2 processes — mixing and baking.

	MIXING
INPUTS	
Material A	1,000 kg @ £7 per kg
Material B	350 kg @ £3 per kg
Wages	130 hours @ £20 per hour
Overheads	£1,350
OUTPUTS	
Waste	150 kg
To Baking	Balance

Prepare the process account for Mixing **showing clearly** the cost per kg for the process.

12

(30)

[END OF QUESTION PAPER]

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FOR OFFICIAL USE

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X209/10/11

NATIONAL
QUALIFICATIONS
2013

THURSDAY, 9 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.



(a)

Oliver and James			
Trading, Profit and Loss Account for year ending 31 December Year 3			
	£000	£000	£000

13

(b) (i)

Oliver and James			
Profit and Loss Appropriation Account for year ending 31 December Year 3			
	£000	£000	£000

6

(b) (ii)

CURRENT ACCOUNT — Oliver	DR	CR	BALANCE
	£000	£000	£000

CURRENT ACCOUNT — James	DR	CR	BALANCE
	£000	£000	£000

7

(c) List 2 sources of finance available to plc's which are **not** available to partnerships.

1 _____

2 _____

4

(30)

[Turn over

Worksheet for Question 2

PART A (a and b)

IN THE LEDGER OF MATTHEW STEVENSON

BANK ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

EQUIPMENT ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

H SAMSON (DEBTOR) ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

PURCHASES ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

VAT ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

CAMERON PLC ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

DISCOUNT ALLOWED ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

[Turn over

PART B

(a) **GROSS PROFIT RATIO**

2

(b) **NET PROFIT RATIO**

2

(c) **AVERAGE STOCK**

2

(d) **RATE OF STOCK TURNOVER**

2

PART C

(a) Capital Expenditure example

2

(b) Revenue Expenditure example

2

(30)

[Turn over

PART A

East & West Petty Cash Statement

Date	Details	PCV No	Cash In	Cash Out	Balance	Analysis Columns				
						Cleaning	Postage	Stationery	Travel	
01-Feb	Imprest		£100.00		£100.00					
01-Feb	Bus Fare	1		£5.00	£95.00					£5.00
02-Feb	Cleaning Fluid	2		£7.00	£88.00	£7.00				
03-Feb	String and Pens	3		£4.50	£83.50			£4.50		

PART B

(a) **CALCULATION OF UPDATED BANK ACCOUNT BALANCE**

BANK ACCOUNT				
DATE	DETAILS	DR	CR	BALANCE

8

(b)

MARTIN DAVIDSON
BANK RECONCILIATION STATEMENT AS AT 30 SEPTEMBER YEAR 1

£

6

PART C

(a) Cash Discount

2

(b) Trade Discount

2

(30)

PART B

D4	=
F4	=
F7	=

6

PART C

State 2 advantages of using spreadsheets in accounting.

- 1 _____
- _____
- 2 _____
- _____

2

2

(30)

[Turn over

PART A

(a)

<p>TONI THOMPSON ANNUAL OPERATING COST STATEMENT</p> <p style="text-align: right;">£</p>

14

(b)

<p>COST PER GUEST NIGHT</p>

2

PART B

(a)	CONTRIBUTION PER UNIT	2
(b)	BREAK-EVEN POINT IN UNITS	2
(c)	BREAK-EVEN POINT IN SALES VALUE	2
(d)	PROFIT/LOSS WHEN 1,000 BEARS SOLD	4

PART C

- (a) Time Rate
-
-
- (b) Piece Rate
-
-

2
2
2
(30)

BAMBOOZLE PLC							
Overhead Analysis Sheet							
Overhead	Basis	Rate	Total	Dept E	Dept F	Canteen	
(a) Indirect Wages	Allocated						
Electricity	Floor Area (sq m)						
Supervision	No of Employees						
Insurance of Machinery	Value of Machinery (£)						
	DEPARTMENT TOTALS						11
(b) Re-apportion Canteen	%						
	TOTAL DEPARTMENTAL OVERHEADS						3

(c) (i) **State one** basis which could be used to calculate Overhead Absorption Rates.

--	--	--

2

(ii) **Show** the formula which would be used to calculate this.

--	--	--

2

[Turn over

Worksheet for Question 6 (continued)
PART B

MIXING ACCOUNT											
INPUTS					OUTPUTS					BALANCE	
DETAILS	Kg	£	£	£	Kg	£	£	£	Kg	£	

12

ALTERNATIVE LAYOUT

MIXING ACCOUNT									
INPUTS					OUTPUTS				
DETAILS	Kg	£	£	£	DETAILS	Kg	£	£	£

12

(30)

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QUESTION	MARK
1	
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3	
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6	
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