

X209/10/01

NATIONAL
QUALIFICATIONS
2014

TUESDAY, 29 APRIL
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. PART A

Nora is a sole trader, who owns a Boutique. The following balances were taken from the books of Nora's Boutique on 31 December Year 3.

	£
Sales	30,000
Opening Stock	3,850
Purchases	14,000
Carriage In	500
Sales Returns	2,000
Purchases Returns	1,000
Discount Received	1,600
Wages	6,000
Bad Debts	500
Discount Allowed	800
Insurance	2,500
Carriage Out	300
Heat and Light	3,200
Equipment (at cost)	1,500

NOTES at 31 December Year 3:

- 1 Stock was valued at £5,650
- 2 Heat and Light prepaid £200
- 3 Wages owing £650
- 4 Equipment is depreciated by 10% per annum on cost.

Prepare the Trading, Profit and Loss Account for the year ending 31 December Year 3.

24**PART B**

Explain the following abbreviations which appear in a bank statement.

- (a) SO 2
- (b) DD 2
- (c) BGC 2

(30)

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

Marks

Answer either Question 2 or Question 3 on the Workbook provided.

2. PART A

The Nouveau House Hotel returned the following items to Crafty Catering Supplies Plc.

5 Square Dinner Plates (cracked) @ £6 each

10 Espresso Cups (wrong colour) @ £4 each

Complete the credit note using the information above and today's date.

8

PART B

The following information was taken from the ledger of Suraj Singh on 31 December Year 2.

	£000
Sales	300
Purchases	180
Wages	17
Creditors	55
Discount Received	9
Drawings	35
Sales Returns	120
Bank Overdraft	11
Heat and Light	12
Debtors	60
Equipment	100
Stock at 1 January Year 2	13
Discount Allowed	3
Carriage In	10
Capital	To be calculated

Complete the Trial Balance of Suraj Singh as at 31 December Year 2.

16

PART C

State 3 advantages of forming a partnership.

6

(30)

[Turn over

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

Marks

Answer either Question 2 or Question 3 on the Workbook provided.

3. PART A

The following figures for Skyfall plc relate to the year ended 31 December Year 2.

	£000
Gross Profit	100
Expenses paid	15
Revenues	10
Debenture Interest paid	2
Debenture Interest due	1
Ordinary Share Dividend due	30
Unappropriated Profit from Year 1	10
Depreciation on Fixtures for year	12
Corporation Tax due	20

- (a) **Prepare** the Profit and Loss Account using the figures above for the year ending 31 December Year 2 showing the appropriation of profit.

11

The following additional figures are available at 31 December Year 2.

	£000
400,000 Ordinary Shares @ £1 each	400
10% Debentures	30
Premises	350
Fixtures (at cost)	120
Debtors	26
Creditors	25
Bank	22 (Dr)
Stock	40

- (b) **Prepare** the Balance Sheet of Skyfall plc as at 31 December Year 2 using the relevant information from (a) and the figures above.

13

PART B

State 3 ratios that may be used to compare the profitability of Year 2 with Year 1.

6

(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

Campbell plc produces garden furniture. There are 4 cost centres – **X, Y, Z** and the **Canteen**.

The estimated overheads for next year are:

Overhead	Basis of Apportionment	Amount
Heat and Light	Floor Area (sq m)	£40,000
Supervision	Number of Employees	£90,000
Insurance of Machinery	Value of Machinery (£)	£10,000

The following information is available for the cost centres.

	X	Y	Z	Canteen	Total
Number of Employees	30	20	40	10	100
Floor Area (sq m)	20,000	14,000	40,000	6,000	80,000
Value of Machinery (£)	60,000	20,000	120,000		200,000

(a) **Prepare** the Overhead Analysis Sheet for Campbell plc to show the total estimated overhead apportioned to each cost centre. **15**

(b) **Re-apportion** the canteen costs among the other 3 cost centres based on the following percentages:

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

3

The Direct Labour Hours for the cost centres are estimated to be:

	X	Y	Z	Total
Direct Labour Hours	10,000	4,000	16,000	30,000

(c) **Calculate** the overhead absorption rate for each cost centre based on Direct Labour Hours. **6**

PART B

Name 3 documents that would be used in the calculation of wages. **6**

(30)

[Turn over

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

Marks

Answer either Question 5 or Question 6 on the Workbook provided.

5. PART A

Patricia Murphy is to start up in business on 1 January Year 1. She provides you with the following information for Year 1.

- 1 On 1 March there will be £40,000 in a business bank account.
- 2 Cash and Credit sales are expected to be as follows. Credit customers will settle their account in full **one month after** the sale.

	February	March	April
Cash Sales	£150,000	£100,000	£135,000
Credit Sales	£125,000	£115,000	£110,000

- 3 Purchases, all in cash, will be as follows.

	March	April
Purchases	£220,000	£200,000

- 4 Insurance of £800 is paid monthly but is to be **increased by 20%** in April.
- 5 Wages of £5,000 are paid each month.
- 6 Patricia is to purchase new equipment in February costing £10,000 less 20% trade discount. She will pay half the cost in March and the rest in April.

Prepare a Cash Budget for the 2 months March and April Year 1 showing clearly the opening and closing bank balances for each month.

16

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

Marks

Answer either Question 5 or Question 6 on the Workbook provided.

5. (continued)

PART B

Tartan Textiles manufactures kilts. The tartan is made in 2 processes – Spinning and Weaving.

The following costs relate to the month of August for Spinning.

	SPINNING
INPUTS	
Materials	1,500 kg @ £4 per kg
Wages	£4,500
Overheads	£1,500
OUTPUTS	
Waste	300 kg
To Weaving	Balance

Prepare the process account for Spinning showing clearly the cost per kg for the process.

8

PART C

Barry, a builder, uses a spreadsheet to calculate quotations for customers.

	A	B	C
1	QUOTATION FOR JOB NO 742		
2			
3		£	£
4	Material A	900	
5	Material B	600	1,500
6	Labour		1,300
7	Direct Expenses		500
8	Total Cost		X
9	Profit (20% on cost)		Y
10	Selling Price		Z
11			

Suggest appropriate **formulae** for cells:

- X** C8;
- Y** C9;
- Z** C10.

6

(30)

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

Marks

Answer either Question 5 or Question 6 on the Workbook provided.

6. PART A

BriteSkyz plc started in business on 1 January selling boxes of fireworks for special occasions. Each box in the storeroom is recorded on a stock record card.

On 1 October Year 1 the store has a supply of 100 boxes of fireworks which cost £30 each.

The following issues and receipts of boxes of fireworks took place in October.

Date	Issues/Receipts	Boxes of Fireworks
3 October	Issues to the shop	30
15 October	Receipts from supplier – Boomabang plc	60 @ £40
29 October	Issues to the shop	90

Record the information above using the FIFO method on the stock record card in the workbook.

12

PART B

Happy Haggis Tours plc operates 4 mini-buses. Each mini-bus travels 1,000 miles per week, 50 weeks per year.

(a) Calculate the total annual mileage for the 4 mini-buses for 50 weeks.

2

Annual running costs are shown below.

Cost	
Total Annual Fuel	£40,000
Maintenance	£20,000 per mini-bus per year
Wages (6 drivers – 50 weeks/year)	£12 per hour (40 hour week)
Total Annual Insurance	£8,000

From the above information:

(b) Prepare an Operating Cost Statement to show the total annual cost of running the 4 mini-buses for 50 weeks.

8

(c) Calculate the cost per mile of running the 4 mini-buses for 50 weeks.

2

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

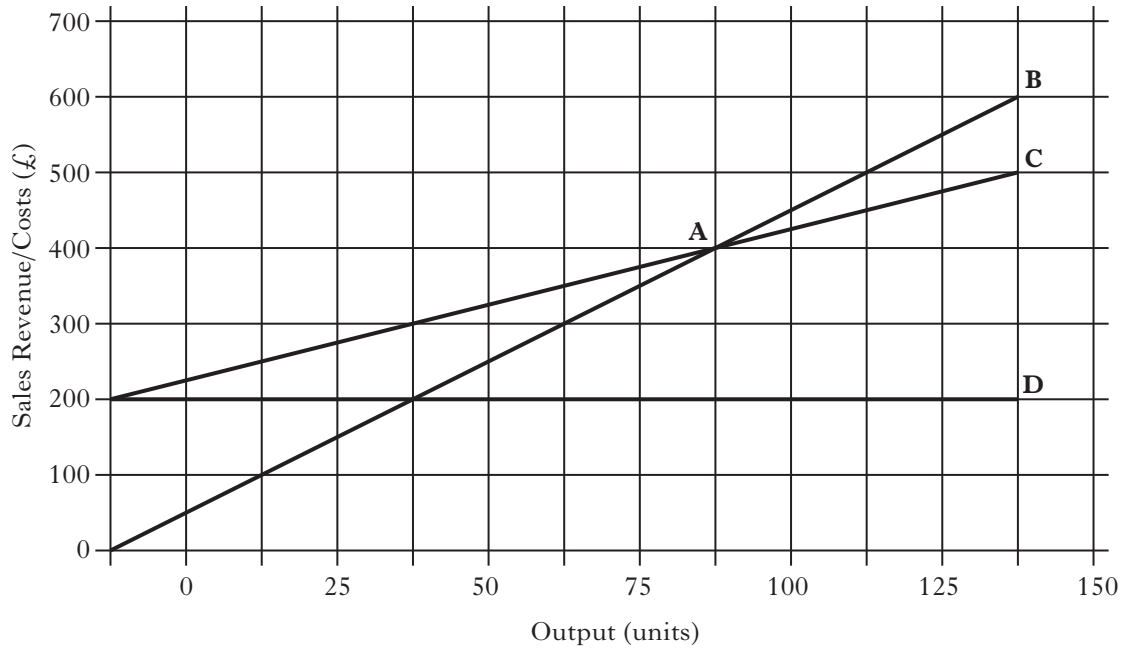
Marks

Answer either Question 5 or Question 6 on the Workbook provided.

6. (continued)

PART C

BREAK-EVEN GRAPH FOR SNOWSPORTS PLC



(a) **Identify** the items labelled A–D above.

4

(b) **Identify one** example of a fixed cost and **one** example of a variable cost.

2

(30)

[END OF QUESTION PAPER]

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FOR OFFICIAL USE

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Mark

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X209/10/11

NATIONAL
QUALIFICATIONS
2014

TUESDAY, 29 APRIL
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.



PART A

NORA’S BOUTIQUE

TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 DECEMBER YEAR 3

	£	£	£

PART B

(a) SO _____

2

(b) DD _____

2


(c) BGC _____

2

(30)

[Turn over

PART A

<h1 style="margin: 0;">CREDIT NOTE</h1> <p style="margin: 5px 0;">Crafty Catering Supplies Plc Lakeside Industrial Estate DUNFERMLINE KY12 8EE</p> <p style="margin: 10px 0;">01382 008864</p>			
<p>Credit Note No: 153</p> <p>VAT Reg No: 345 23 15</p>	<p>Date:</p>		
<p>To: The Nouveau House Hotel Balmeadie Road EDINBURGH EH12 7RZ</p>			
Quantity	Description	Unit Price (£)	Total (£)
	Trade Discount (10%)		
	NET GOODS VALUE		
	VAT @ 20%		
	TOTAL		

PART B

SURAJ SINGH

TRIAL BALANCE AS AT 31 DECEMBER YEAR 2

	£000	£000
Sales		
Purchases		
Wages		
Creditors		
Discount Received		
Drawings		
Sales Returns		
Bank Overdraft		
Heat and Light		
Debtors		
Equipment		
Stock at 1 January Year 2		
Discount Allowed		
Carriage In		
Capital		
	£	£

[Turn over

PART C

1 _____

2

2 _____

2

3 _____

2

(30)

PART A (a)

SKYFALL PLC

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

	<i>£000</i>	<i>£000</i>	<i>£000</i>

[Turn over

PART A (b)

SKYFALL PLC

BALANCE SHEET AS AT 31 DECEMBER YEAR 2

	£000	£000	£000

PART B

1 _____

2 _____

3 _____

6
(30)

[Turn over

PART A

CAMPBELL PLC – OVERHEAD ANALYSIS SHEET

(a) Overhead	Basis	Rate	Total	X	Y	Z	Canteen
Heat and Light	Floor Area (sq m)						
Supervision	No of Employees						
Insurance of Machinery	Value of Machinery (£)						
	DEPARTMENT TOTALS						
(b) Re-apportionment Canteen	%						
	TOTAL DEPARTMENTAL OVERHEADS						

15

3

PART A

(c)

	X	Y	Z
Total Departmental Overheads			
Overhead Absorption Rate			

6

PART B

1 _____

2 _____

3 _____

6
(30)

[Turn over

PART A

PATRICIA MURPHY

CASH BUDGET FOR 2 MONTHS MARCH AND APRIL YEAR 1

	MARCH £	APRIL £

Use ONE of the layouts below
Do not write in any of the shaded cells

Marks

Worksheet for Question 5 (continued)

PART B

SPINNING PROCESS ACCOUNT

	INPUTS			OUTPUTS			BALANCE		
	Qty (Kg)	Price £	Value £	Qty (Kg)	Price £	Value £	Qty (Kg)	Price £	Value £
Materials									
Labour									
Overheads									
Waste									
To Weaving									
Working:									

8

ALTERNATIVE LAYOUT

PART B

SPINNING PROCESS ACCOUNT							
INPUTS				OUTPUTS			
	Qty (Kg)	Price £	Value £		Qty (Kg)	Price £	Value £
Materials				Waste			
Labour				To Weaving			
Overheads							
Working:							

8

PART C

Cell	Formula
C8	=
C9	=
C10	=

6
(30)

PART A

BRITESKYZ PLC

STOCK RECORD CARD

Boxes of Fireworks

Date	Details	Receipts			Issues			Balance				
		Qty	CPU £	Total £	Qty	CPU £	Total £	Qty	CPU £	Total £		

PART B

(a)

Total Annual Mileage

2

(b)

HAPPY HAGGIS TOURS PLC

OPERATING COST STATEMENT

	£
TOTAL COST	

8

(c)

Cost per Mile

2

PART C

(a)

	Item
A	
B	
C	
D	

4

(b)

	Example
Fixed Cost	
Variable Cost	

2
(30)

[END OF WORKBOOK]

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QUESTION	MARK
1	
2	
3	
4	
5	
6	
TOTAL (Transfer to front cover)	