N5 National Qualifications 2026

X800/75/11 Accounting

MONDAY, 25 MAY

1:00 PM – 3:00 PM

Total marks — 130

SECTION 1 — 70 marks

Attempt BOTH questions.

SECTION 2 — 60 marks

Attempt ALL questions.

Write your answers clearly in the workbook provided.

You may use a calculator.

All working should be shown fully, and clearly labelled.

Use **blue** or **black** ink.

You must leave your workbook on your desk; if you do not, you could lose all the marks for this paper.

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SECTION 1 — 70 marks

Attempt BOTH questions

1. Use ***pages 02-04* of your workbook** to answer this question.

The following figures show the ledger balances of S Blackwood, a sole trader, on 31 December Year 2.

	£
Equity	70,000
Carriage In	230
Carriage Out	180
Cash and Cash Equivalents	32,000
Bad Debts	250
Discount Allowed	360
Discount Received	320
Wages and Salaries	14,700
Sales Revenue	75,200
Sales Revenue Returns	1,200
Rent	12,600
Trade Payables	7,300
Trade Receivables	5,800
Property	40,000
Fixtures and Fittings (at cost)	12,000
Drawings	6,100
Purchases	34,200
Purchases Returns	800
Provision for Depreciation: Fixtures and Fittings	4,000
Heat and Light	1,850
Inventory at 1 January Year 2	6,960
Loan	10,000
VAT (Cr)	380
Interest Received	430

MARKS

1. **(continued)**

NOTES AT 31 DECEMBER YEAR 2

1. A provision for doubtful debts of 5% of trade receivables is to be created.
2. Depreciation of fixtures and fittings is 10% of cost.
3. Heat and light paid in advance was £150.
4. Wages and salaries still to be paid were £200.
5. Closing inventory is £4,800.

Using the information provided, prepare the following:

(a) Income Statement for the year ended 31 December Year 2. **17**

(b) Statement of Financial Position as at 31 December Year 2. **18**

[Turn over

MARKS

2. PART A

Use ***page 05* of your workbook** to answer questions (a) (i)–(iii).

James Lawson's factory has the following estimated yearly overhead costs:

Overheads	**Total Cost**
Indirect Expenses	£46,200
Supervisor Salaries	£80,000
Rent and Rates	£126,000
Heat and Light	£84,000
Machinery Insurance	£90,000
Machinery Maintenance	£10,500

The factory has 2 production cost centres — A and B, and 2 service cost centres — C and D. Information relating to the cost centres for the year is as follows:

	A	**B**	**C**	**D**	**Total**
Indirect Expenses	£15,000	£13,000	£9,700	£8,500	£46,200
Machine Hours	120,000	160,000	–	–	280,000
Value of Machinery	£700,000	£500,000	–	–	£1,200,000
No of Employees	25	15	6	4	50
Floor Area (sq m)	10,200	9,300	600	900	21,000

(a) (i) Prepare the Overhead Analysis Sheet for the year to show the total estimated overhead for each cost centre. **11**

(ii) Re-apportion the total overheads of Department C to the other cost centres on the basis of number of employees. **3**

(iii) Calculate the final estimated overhead for both production cost centres by re-apportioning the new total overheads of Department D as follows:

- Department A — 55%
- Department B — 45% **3**

Use ***page 06* of your workbook** to answer questions (b)–(d).

(b) Describe the difference between a production cost centre and a service cost centre. **1**

(c) Identify **one** example of each of the following. You should give a **different** example for each.

(i) Direct Cost **1**

(ii) Limiting Factor **1**

(iii) Fixed Cost **1**

(d) Describe **2** benefits of using a spreadsheet to prepare financial information. **2**

MARKS

2. PART B

Use ***pages 07-09*** **of your workbook** to answer this question.

Hugo Caldwell owns a gardening firm. He has completed a job for the council to redesign some green space and is charging a 35% profit mark-up on cost. The following information relates to this job:

1.	<u>Labour — Clearing and Preparation</u> Three employees worked on clearing and preparation and were paid £15 per hour. They each worked the following hours on this job: Monday 6 hours Tuesday 6 hours Wednesday 5 hours Each employee is paid an additional bonus of £4 per hour saved, if clearing and preparation is completed in less than 20 hours.
2.	<u>Labour — Planting</u> Hugo does the planting himself and charges £22 per hour. Overtime is paid at time and a half for work done on a Saturday. Hugo worked the following hours on the job: Thursday 8 hours Friday 8 hours Saturday 3 hours
3.	<u>Materials</u> • Bedded Plants and Shrubs £1,950 in total • Plant seed (120 grams) £1.50 per gram • Fertiliser (0.2 litres per gram) £5.00 per litre
4.	<u>Other Information</u> Overheads are charged at £2.50 for every labour hour that has been worked by Hugo and his employees. VAT is charged at 20%.

Prepare the Job Cost Statement to be sent to the council clearly showing the final selling price. **12**

[Turn over

MARKS

SECTION 2 — 60 marks

Attempt ALL questions

3. Use ***pages 10-11*** **of your workbook** to answer this question.

The following information relates to the inventory of packets of A4 paper for Stationery Supplies:

1 June	Opening Balance 400 packets costing £2.50 per packet.
5 June	Purchased 200 packets costing £2.70 per packet.
12 June	Issued 450 packets.
20 June	Purchased 350 packets costing £3.00 per packet.
24 June	Returned 80 packets purchased on 20 June.
26 June	Issued 250 packets.

(a) Complete the Inventory Record Card using the First-In-First-Out (FIFO) method. **11**

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

(c) Describe the following terms:

(i) Non-Current Liabilities **1**

(ii) Drawings **1**

4. Use ***pages 12-13* of your workbook** to answer this question.

Henry Styles owns Styles Tiles which sells ceramic and porcelain tiles. The following information relates to his customer Bathroom Solutions:

1 June	Styles Tiles was owed £1,500 by Bathroom Solutions (for tiles bought on 27 May).
8 June	Bathroom Solutions bought another £3,000 worth of tiles from Styles Tiles (value is **before** the applicable terms below were applied).
19 June	Bathroom Solutions returned damaged tiles to the value of £138 previously purchased on 8 June (**after** the applicable terms below were applied).
21 June	Bathroom Solutions paid £1,440, in full settlement of the balance outstanding on 1 June. A credit note was issued for a refund for the amount of VAT that now no longer needs to be paid. The VAT on the original invoice was £250.

Styles Tiles — Terms of Sale:

Cash Discount — 4% (for payment within 30 days)
Trade Discount — 8%
VAT — 20%

(a) From the information above, complete the Statement of Account to be sent to Bathroom Solutions. **11**

(b) Outline **one** advantage and **one** disadvantage to Styles Tiles of selling goods on credit. **2**

(c) State the document that would be sent by Styles Tiles to Bathroom Solutions on 8 June. **1**

(d) Henry is a sole trader. Define the term ‘sole trader’. **1**

[Turn over

MARKS

5. The following balances were extracted from the ledger of Mia Bhatia as at 30 June Year 5.

	£
VAT (owing to Government)	21,500
Sales Revenue	390,300
Purchases	201,200
Trade Receivables	15,750
Trade Payables	14,550
Equipment	120,000
Provision for Depreciation of Equipment	6,425
Cash	975
Overdraft — Cash Equivalents	3,200
Carriage Out	525
Carriage In	750
Inventory	42,050
Rent	29,000
Loan	10,000
Equity	108,300
Salaries	135,250
Discount Received	3,900
Drawings	6,700
Bad Debts	5,975

Complete the Trial Balance on the worksheet provided on ***page 14* of your workbook.** 15

MARKS

6. Use ***pages 15-16* of your workbook** to answer this question.

The following information is available for Dennis Crolla's business for March.

Fixed costs	£36,000
Selling price	£50 per unit
Raw materials	£5 per unit
Labour (2 hours)	£12 per hour
Variable overheads	£3 per labour hour
Current Production	3,500 units

Using the above information, calculate the:

(a) total variable cost per unit **3**

(b) contribution per unit **2**

(c) break-even point in units **2**

(d) margin of safety (in units and sales value) at the current production level **3**

(e) number of units required to be made to achieve a £30,000 profit. **3**

Information for the following month (April) is as follows:

Fixed costs	£40,000
Production level	4,000 units
Variable cost per unit	Unchanged from March

(f) Calculate the selling price which would allow Dennis to break even in April. **2**

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