



National
Qualifications
2019

X800/75/11

Accounting

FRIDAY, 17 MAY

9:00 AM – 11:00 AM

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.

Before leaving the examination room you must give your workbook to the Invigilator; if you do not, you may lose all the marks for this paper.



* X 8 0 0 7 5 1 1 *

SECTION 1 — 70 marks
Attempt BOTH questions

1. PART A

Write your answer to Part A of question 1 on *pages 02-04* of your workbook.

The following figures show the ledger balances of Vera's News and Groceries Shop on 31 December Year 3.

	£
Bad Debts	220
Carriage Out	330
Cash and Cash Equivalents	49,580
Discount Allowed	480
Drawings	6,100
Employee Wages	14,700
Equity	54,000
Fixtures & Fittings (at cost)	10,000
Heat & Light	1,950
Inventory at 1 January Year 3	7,400
Investment Revenues — Interest Received	610
Provision for Depreciation of Fixtures & Fittings	4,000
Purchases	34,200
Purchase Returns	1,300
Rent	9,850
Sales Revenue	76,700
Sales Revenue Returns	800
Trade Payables	5,000
Trade Receivables	6,000

1. (continued)

NOTES AT 31 DECEMBER YEAR 3

- a Provision for Doubtful Debts of 5% of Trade Receivables is to be created
 - Depreciation of Fixtures & Fittings is 10% of cost
 - Heat & Light paid in advance was £120
 - Employee Wages still to be paid were £540
 - Inventory is £8,600.
- (a) Select the **necessary** information and prepare the Income Statement for the year ended 31 December Year 3. 20
- (b) State **2** possible causes of depreciation. 2
- (c) Name the document which a firm would send to a customer in the following situations.
- (i) A customer buys goods on credit 1
 - (ii) To show a summary of a customer's transactions for the month 1
 - (iii) A customer returns goods 1

PART B

Write your answer to Part B of question 1 on **pages 06-07 of your workbook**.

On 9 June Year 1, Ravi Sharma had £10,000 in the bank (this entry has already been recorded in your workbook). The following transactions were made.

10 June Supply Stores sold goods on credit to Ravi worth £1,500 plus VAT at 20%

23 June Ravi made a payment to Supply Stores for £1,620, in full settlement of the amount owing, after taking up a 10% Cash Discount. An adjustment should be made for the amount of VAT recorded on 10 June that now no longer needs to be paid.

Using the information given above, make the necessary entries for these transactions in Ravi's ledger accounts. 10

[Turn over

2. Use *pages 08-09* of your workbook to answer this question.

Duncan Paterson is the owner of Haste Ye Back, a manufacturer of leather dress sporrans based in Stonehaven. The following information is available.

- (1) The opening cash balance at 1 July is expected to be £3,000
- (2) Duncan sells sporrans to consumers individually and to retailers in cases of 10
- (3) Sales are expected to be as follows

	June	July	August	September
Consumer sales	750	900	1,000	950
Retail sales (cases of 10)	400	420	450	500

- The consumer selling price is £100 per sporrان. Retailers receive a 25% discount on this price.
 - All sales to consumers are on a cash basis and all sales to retailers are on one month's credit
- (4) Monthly production of sporrans will be

June	July	August	September
4,800	5,400	5,500	6,000

- (5) Material costs of £24 per sporrان will be paid in the month following production
 - (6) Labour costs are £15 per hour, paid in the same month as production. Each sporrان takes an average of 2 hours to manufacture.
 - (7) To cover staff holidays and meet estimated production levels, Duncan will offer 4 of his production workers overtime in July and August **only**. Each employee will work 30 hours overtime per month, paid at time and a half in the month following production.
 - (8) Variable overheads of £5 per sporrان are paid for in the same month as production
 - (9) Fixed costs will be £10,000 per month
 - (10) Duncan will purchase new machinery on hire purchase costing £40,000. A 10% deposit will be paid in July, with the remaining balance paid in 5 equal monthly instalments starting in August.
 - (11) Old machinery will be scrapped in September and the proceeds will raise £2,000
- (a) Prepare a Cash Budget for the months July to September showing clearly the opening and closing balances for each month. 31
 - (b) Other than the sale of non-current assets, outline **3** ways a business could deal with a negative closing balance. 3
 - (c) State **one** benefit of using a spreadsheet to prepare a Cash Budget. 1

SECTION 2 — 60 marks

Attempt ALL questions

3. Use *page 10 of your workbook* to answer this question.

The following information relates to the purchase and issue of Part 264 for Jackson Construction.

10 May purchased 200 boxes costing £3.40 per box

28 June purchased 220 boxes costing £3.50 per box

02 July issued 170 boxes

14 July returned 10 boxes bought on 28 June

15 July issued 80 boxes

- (a) Complete the Inventory Record Card for Part 264, using the First-In-First-Out (FIFO) method. 10
- (b) Other than Inventory Valuation, state 2 duties of a Management Accountant. 2
- (c) Identify **one** example of each of the following. You should give a different example for each.
- (i) Fixed Cost 1
 - (ii) Limiting Factor 1
 - (iii) Direct Cost 1

[Turn over

4. Use *pages 11-12 of your workbook* to answer this question.

Derek Watson's firm Tartan Luggage has been asked to provide a Job Cost Statement for Job 125, which was for 300 standard suitcases. Details are as follows.

All jobs have VAT at 20% applied	
Materials	£8.00 per case
Labour	<p>Paid at a rate of £10.00 per hour. Job 125 took 130 hours to complete.</p> <p>The expected time allocated to make each suitcase is 30 minutes. A bonus payment of £7.50 per hour is paid to employees for any time saved and this is charged to the customer.</p>
Direct Expenses	A design patent of £0.30 per case is paid.
Overheads	£2.00 per labour hour for actual hours worked.
Profit	Charged to jobs at a mark-up of 30%.

- (a) Prepare a Job Cost Statement for Job 125 clearly showing the Selling Price. 10

After production was planned for April, there are 300 hours left over that are available for other production. Tartan Luggage can use these hours to make **one** of the following types of suitcases. Information is as follows.

	Type A	Type B	Type C
Contribution per unit	£14	£18	£16
Direct Labour per unit	2 hours	3 hours	4 hours

- (b) Advise as to which type of suitcase Tartan Luggage should produce if they want to maximise profit. Give a brief reason for your answer. 2
- (c) Using your answer to (b), calculate the number of suitcases that can be made with the leftover hours. 1
- (d) Calculate the total contribution that your answer to (b) will generate. 2

5. The following balances were extracted from the ledger of Allen Noble on 31 March Year 8.

	£
Drawings	5,300
Overdraft — Cash and Cash Equivalents	3,600
Finance Costs	450
Sales Revenue	248,620
Purchases	140,650
Sales Revenue Returns	8,930
Purchase Returns	6,891
Trade Receivables	3,700
Trade Payables	2,650
Carriage In	597
Carriage Out	1,000
Discount Allowed	943
Discount Received	654
Property	400,000
Equipment	58,720
Mortgage	210,000
Provision for Doubtful Debts	370
General Expenses	1,325
Inventory	10,900
Equity	159,730

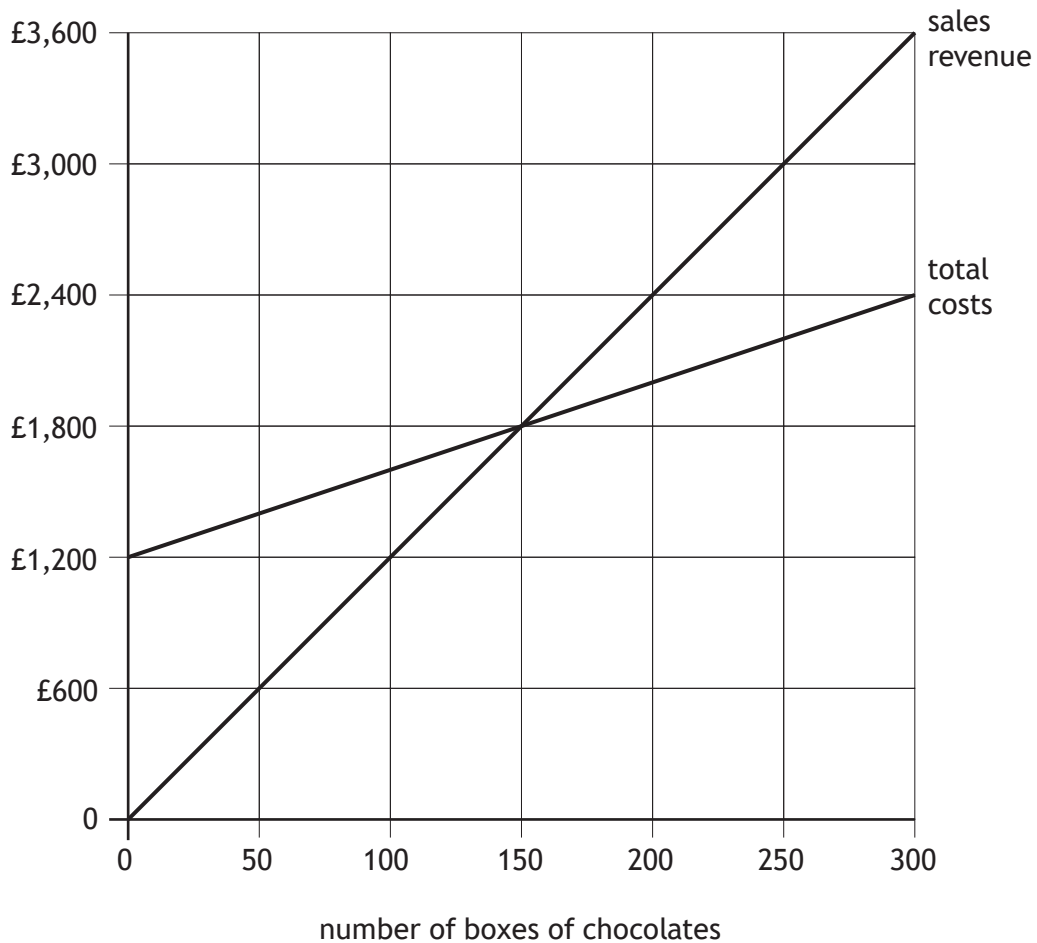
You are required to prepare the Trial Balance, on the Worksheet provided on *page 13* of your workbook.

15

[Turn over for next question

6. Use *page 14 of your workbook* to answer this question.

Joanne Yipp makes and sells handmade chocolates. The chart below shows her estimated costs and sales revenue for June.



- (a) Using the chart above, state the following.
- (i) Break-even point in units 1
 - (ii) Break-even point in sales value 1
 - (iii) Fixed costs 1
- (b) Calculate the following for one box of chocolates.
- (i) Selling price 2
 - (ii) Variable cost 2
 - (iii) Contribution 2
- (c) Calculate the profit or loss if Joanne sells 210 boxes of chocolates. 3
- (d) Calculate how many boxes of chocolates Joanne would need to sell in order to double the profit calculated in (c). 3

[END OF QUESTION PAPER]

FOR OFFICIAL USE



National
Qualifications
2019

Mark

X800/75/01

**Accounting
Workbook**

FRIDAY, 17 MAY

9:00 AM – 11:00 AM



* X 8 0 0 7 5 0 1 *

Fill in these boxes and read what is printed below.

Full name of centre

Town

Forename(s)

Surname

Number of seat

Date of birth

Day

Month

Year

Scottish candidate number

Write your answers clearly in this workbook. Additional space for answers is provided at the end of this workbook. You must clearly identify in the margin the question number you are attempting.

All working should be shown fully and clearly labelled.

You may use a calculator.

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

Before leaving the examination room you must give this workbook to the Invigilator; if you do not, you may lose all the marks for this paper.



* X 8 0 0 7 5 0 1 0 1 *



[Turn over for next question

DO NOT WRITE ON THIS PAGE



* X 8 0 0 7 5 0 1 0 5 *

For use with question 1 PART B

Ledger accounts of Ravi Sharma

IMPORTANT NOTE: There may be more blank ledger accounts than are required to complete the question.

Account Name: Bank (Cash & Cash Equivalents)							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p
9 Jun	Balance					10,000	00

Dr

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Question 1 PART B (continued)

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

Account Name:							
Date	Details	Dr		Cr		Balance	
		£	p	£	p	£	p

[Turn over



* X 8 0 0 7 5 0 1 0 7 *

Worksheet for question 3

(a) Inventory Record Card — FIFO: Part 264

Date	Receipts			Issues			Balance		
	Qty	CPU (£)	Value (£)	Qty	CPU (£)	Value (£)	Qty	CPU (£)	Value (£)

(b) Role 1 _____

Role 2 _____

(c) (i) Fixed Cost _____

(ii) Limiting Factor _____

(iii) Direct Cost _____



For use with question 5

Allen Noble Trial Balance as at 31 March Year 8		
	DR £	CR £
Drawings		
Overdraft — Cash and Cash Equivalents		
Finance Costs		
Sales Revenue		
Purchases		
Sales Revenue Returns		
Purchase Returns		
Trade Receivables		
Trade Payables		
Carriage In		
Carriage Out		
Discount Allowed		
Discount Received		
Property		
Equipment		
Mortgage		
Provision for Doubtful Debts		
General Expenses		
Inventory		
Equity		
	£	£



* X 8 0 0 7 5 0 1 1 3 *

