



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.



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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 |

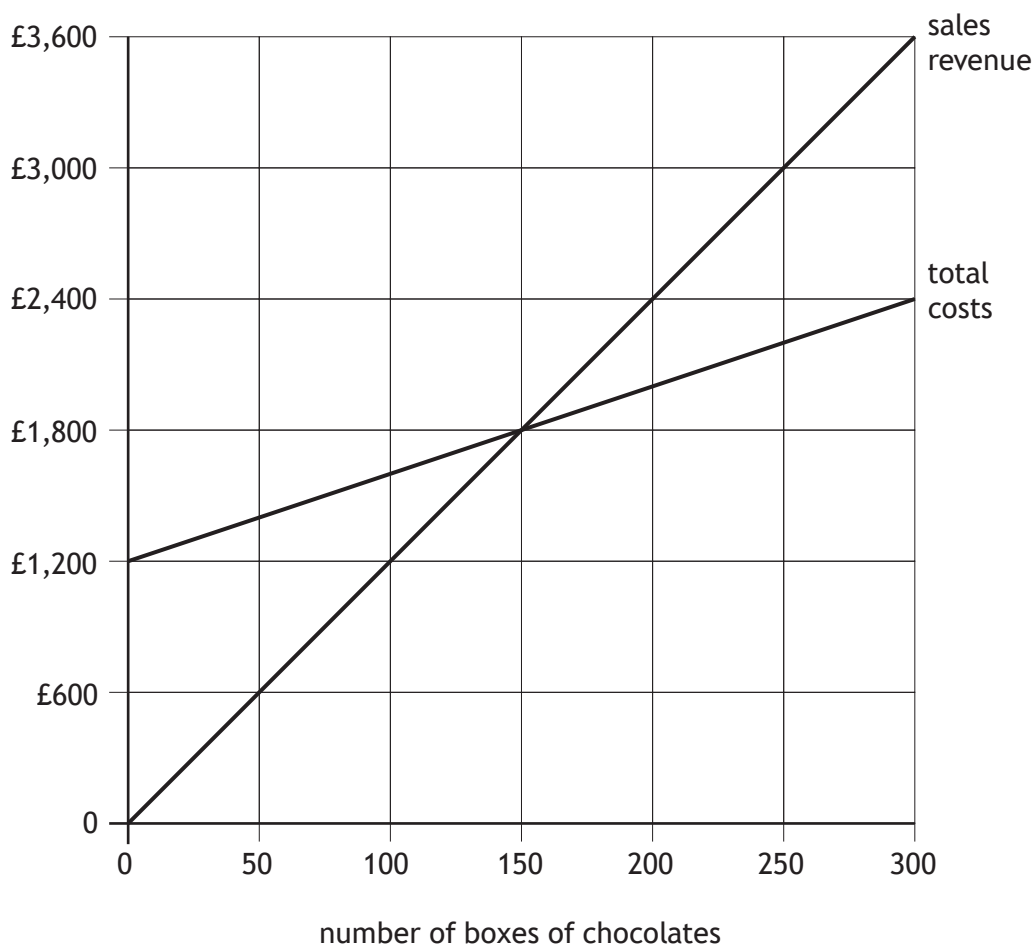
You are required to prepare the Trial Balance, on the Worksheet provided on *page 13* of your workbook.

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.



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Question 1 PART A (continued)

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[Turn over for next question

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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 |
| | | | | | | | |
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Dr

| Account Name: | | | | | | | |
|---------------|---------|----|---|----|---|---------|---|
| Date | Details | Dr | | Cr | | Balance | |
| | | £ | p | £ | p | £ | p |
| | | | | | | | |
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| Account Name: | | | | | | | |
|---------------|---------|----|---|----|---|---------|---|
| Date | Details | Dr | | Cr | | Balance | |
| | | £ | p | £ | p | £ | p |
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Question 1 PART B (continued)

| Account Name: | | | | | | | |
|---------------|---------|----|---|----|---|---------|---|
| Date | Details | Dr | | Cr | | Balance | |
| | | £ | p | £ | p | £ | p |
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| Account Name: | | | | | | | |
|---------------|---------|----|---|----|---|---------|---|
| Date | Details | Dr | | Cr | | Balance | |
| | | £ | p | £ | p | £ | p |
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| Account Name: | | | | | | | |
|---------------|---------|----|---|----|---|---------|---|
| Date | Details | Dr | | Cr | | Balance | |
| | | £ | p | £ | p | £ | p |
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For use with question 2

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Question 2 (continued)



Worksheet for question 3

(a) Inventory Record Card — FIFO: Part 264

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



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