

MyStudyBro - Revision Exercise Tool

This Revision Handout includes the Questions and Answers of a total of 5 exercises!

Chapters:

Subsidiary Books - Paper 1 (Pearson Edexcel)

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SECTION B

Answer ALL questions.

11 John Paul is a trader who buys and sells mainly on credit terms.

(a) Complete the table below.

(12)

Transaction	Source document	Book of original entry	Account to be debited	Account to be credited
Sold goods on credit to E Paige				
Returned goods to T Williams, a credit supplier				
Purchased fixtures and fittings on credit from Fixashop				

On 30 November 2018 John Paul prepared the following incorrect sales ledger control account.

Sales Ledger Control Account

Date	Narrative	£	Date	Narrative	£
Nov 30	Credit sales	132 789	Nov 1	Balance b/f	24 100
	Credit purchases	87 045	Nov 30	Payments received	122 900
	Cash sales	32 865		Bad debts	600
	Discount allowed	876		Credit customer returns	5 213
				Balance c/d	100 762
		<u>253 575</u>			<u>253 575</u>
Dec 1	Balance b/d	100 762			



- (b) Prepare the sales ledger control account for the month of November 2018.
Balance the account on 30 November 2018 and bring the balance down to 1 December 2018.

(8)

Sales Ledger Control Account

Date	Narrative	£	Date	Narrative	£

(Total for Question 11 = 20 marks)

Question Number	Answer	Mark																				
11(a)	Award marks as indicated																					
	<table><tr><th>Transaction</th><th>Source document</th><th>Book of original entry</th><th>Account to be debited</th><th>Account to be credited</th></tr><tr><td>Sold goods on credit to E Paige</td><td>Sales invoice (1)</td><td>Sales (day) book (1)</td><td>E Paige (1)</td><td>Sales (1)</td></tr><tr><td>Returned goods to T Williams, a credit supplier</td><td>Credit note (1)</td><td>Purchase returns (day) book (1)</td><td>T Williams (1)</td><td>Purchase returns (1)</td></tr><tr><td>Purchased fixtures and fittings on credit from Fixashop</td><td>Purchase invoice (1)</td><td>Journal (1)</td><td>Fixtures and fittings (1)</td><td>Fixashop (1)</td></tr></table>		Transaction	Source document	Book of original entry	Account to be debited	Account to be credited	Sold goods on credit to E Paige	Sales invoice (1)	Sales (day) book (1)	E Paige (1)	Sales (1)	Returned goods to T Williams, a credit supplier	Credit note (1)	Purchase returns (day) book (1)	T Williams (1)	Purchase returns (1)	Purchased fixtures and fittings on credit from Fixashop	Purchase invoice (1)	Journal (1)	Fixtures and fittings (1)	Fixashop (1)
	Transaction		Source document	Book of original entry	Account to be debited	Account to be credited																
	Sold goods on credit to E Paige		Sales invoice (1)	Sales (day) book (1)	E Paige (1)	Sales (1)																
	Returned goods to T Williams, a credit supplier		Credit note (1)	Purchase returns (day) book (1)	T Williams (1)	Purchase returns (1)																
Purchased fixtures and fittings on credit from Fixashop	Purchase invoice (1)	Journal (1)	Fixtures and fittings (1)	Fixashop (1)																		

Question Number	Answer	Mark																																																
11(b)	<p>Award marks for correct amounts as indicated.</p> <p>Award 1 mark for ALL correct dates and narratives</p> <p>Sales ledger control account</p> <table><tr><th>Date</th><th>Narrative</th><th>£</th><th>Date</th><th>Narrative</th><th>£</th></tr><tr><td>Nov 1</td><td>Balance b/d</td><td>24 100 (1)</td><td>Nov 30</td><td>Cash book</td><td>122 900 (1)</td></tr><tr><td>Nov 30</td><td>Sales day book</td><td>132 789(1)</td><td></td><td>Cash book</td><td>876 (1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Journal/bad debts</td><td>600 (1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Sales returns day book</td><td>5 213 (1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>27 300</td></tr><tr><td></td><td></td><td><u>156 889</u></td><td></td><td></td><td><u>156 889</u></td></tr><tr><td>Dec 1</td><td>Balance b/d</td><td>27300(1of)</td><td></td><td></td><td></td></tr></table>	Date	Narrative	£	Date	Narrative	£	Nov 1	Balance b/d	24 100 (1)	Nov 30	Cash book	122 900 (1)	Nov 30	Sales day book	132 789 (1)		Cash book	876 (1)					Journal/bad debts	600 (1)					Sales returns day book	5 213 (1)					Balance c/d	27 300			<u>156 889</u>			<u>156 889</u>	Dec 1	Balance b/d	27300 (1of)				(8)
Date	Narrative	£	Date	Narrative	£																																													
Nov 1	Balance b/d	24 100 (1)	Nov 30	Cash book	122 900 (1)																																													
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Dec 1	Balance b/d	27300 (1of)																																																

(Total for Question 11 = 20 marks)

SECTION B

Answer ALL questions.

- 11 Selina Gomez owns a wholesale electrical supplies business. She buys and sells mainly on credit terms.

- (a) Complete the following table to show the book of original entry in which **each** transaction would be entered.

(5)

Transaction	Book of original entry
Sold goods on credit	
Sold goods for cash	
Purchased a fixed asset on credit	
Returned goods to a credit supplier	
Paid a credit supplier by bank transfer	

On the 1 September 2017 her purchases ledger contained the following credit balances:

A Alder	£1 266
B Brown	£3 478
N Carter	£2 188
D Davis	£1 068

At the end of September 2017 she extracted the following information from her records.

	£
Purchases on credit	21 786
Payments to credit suppliers	15 422
Returns to credit suppliers	1 731
Interest charged by credit suppliers	184
Sales ledger balance set off	650



- (b) Prepare the purchases ledger control account for the month of September 2017.
Balance the account on 30 September 2017 and bring the balance down to 1 October 2017.

(8)

Purchases Ledger Control Account

Date	Details	£	Date	Details	£

- (c) Explain **one** error that would **not** be identified by preparing a purchases ledger control account.

(2)

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(Total for Question 11 = 15 marks)



Section B

Question Number	Answer	Mark												
11(a)	<p>Award 1 mark for each correct response.</p> <table><tr><th>Transaction</th><th>Book of original entry</th></tr><tr><td>Sold goods on credit</td><td>Sales book (1)</td></tr><tr><td>Sold goods for cash</td><td>Cash book (1)</td></tr><tr><td>Purchased a fixed asset on credit</td><td>Journal (1)</td></tr><tr><td>Returned goods to a credit supplier</td><td>Purchase returns book (1)</td></tr><tr><td>Paid a credit supplier by bank transfer</td><td>Cash book (1)</td></tr></table>	Transaction	Book of original entry	Sold goods on credit	Sales book (1)	Sold goods for cash	Cash book (1)	Purchased a fixed asset on credit	Journal (1)	Returned goods to a credit supplier	Purchase returns book (1)	Paid a credit supplier by bank transfer	Cash book (1)	(5)
Transaction	Book of original entry													
Sold goods on credit	Sales book (1)													
Sold goods for cash	Cash book (1)													
Purchased a fixed asset on credit	Journal (1)													
Returned goods to a credit supplier	Purchase returns book (1)													
Paid a credit supplier by bank transfer	Cash book (1)													

Question Number	Answer	Mark																																										
11(b)	<p>Award marks for correct amounts as indicated. Award 1 mark for ALL correct dates and narratives</p> <p style="text-align: center;">Purchases Ledger Control Account</p> <table><tr><th>Date</th><th>Details</th><th>£</th><th>Date</th><th>Details</th><th>£</th></tr><tr><td>Sept 30</td><td>Cash book</td><td>15 422 (1)</td><td>Sept 1</td><td>Balance b/f</td><td>8 000 (1)</td></tr><tr><td></td><td>Purchases returns book</td><td>1 731 (1)</td><td>Sept 30</td><td>Purchases book</td><td>21 786 (1)</td></tr><tr><td></td><td>Sales ledger set off</td><td>650 (1)</td><td></td><td>Journal (interest charged)</td><td>184 (1)</td></tr><tr><td></td><td>Balance c/d</td><td>12167</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td><u>29 970</u></td><td></td><td></td><td><u>29 970</u></td></tr><tr><td></td><td></td><td></td><td>Oct 1</td><td>Balance b/d</td><td>12167 (1 of)</td></tr></table>	Date	Details	£	Date	Details	£	Sept 30	Cash book	15 422 (1)	Sept 1	Balance b/f	8 000 (1)		Purchases returns book	1 731 (1)	Sept 30	Purchases book	21 786 (1)		Sales ledger set off	650 (1)		Journal (interest charged)	184 (1)		Balance c/d	12167						<u>29 970</u>			<u>29 970</u>				Oct 1	Balance b/d	12167 (1 of)	(8)
Date	Details	£	Date	Details	£																																							
Sept 30	Cash book	15 422 (1)	Sept 1	Balance b/f	8 000 (1)																																							
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	Sales ledger set off	650 (1)		Journal (interest charged)	184 (1)																																							
	Balance c/d	12167																																										
		<u>29 970</u>			<u>29 970</u>																																							
			Oct 1	Balance b/d	12167 (1 of)																																							

Question Number	Answer	Mark
11(c)	<p>Award 1 mark for identification of type of error and 1 mark for developing the reason.</p> <p>Eg</p> <p>Commission Where the correct amount has been entered but in the wrong account of the correct classification.</p> <p>Omission Where a transaction has been completely omitted from the books.</p> <p>Original Entry Where the original figure is incorrect but the double entry is correct.</p>	(2)

(Total for Question 11 = 15 marks)

SECTION B

Answer ALL questions.

11 Justin Horan, a trader, maintains a full set of accounting books.

On 1 April 2018 he provided the following information.

Sales Ledger Balances	£	Nominal Ledger Balances	£
A Alda	1 321	Sales	21 000
B Shah	2 564	Returns inwards	1 342
C Son	1 800	VAT	8 000 Cr
D Wong	1 789	Bank	4 200

The following are extracts from Justin's books for April 2018. VAT is charged at 10%.

Sales Journal

Date	Narration	Goods £	VAT £	Total £
April 1	B Shah	920	92	1 012
April 5	D Wong	360	36	396
April 13	C Son	520	52	572
April 21	A Alda	1 450	145	1 595
April 28	D Wong	600	60	660
	Totals for Month	<u>3 850</u>	<u>385</u>	<u>4 235</u>

Returns Inwards Journal

Date	Narration	Goods £	VAT £	Total £
April 3	C Son	90	9	99
April 8	A Alda	260	26	286
	Totals for Month	<u>350</u>	<u>35</u>	<u>385</u>



Cash Book (Debit side)

Date	Narration	Bank £
April 1	Balance b/d	4 200
April 5	A Alda	3 244
April 8	D Wong	2 000
April 15	Cash sales banked (including VAT)	660
April 21	B Shah	2 188
April 30	Commission received	500
April 30	C Son	1 280

The Journal

Date	Narration	Debit £	Credit £
April 21	C Son (Purchases Ledger)	450	
	C Son (Sales Ledger)		450
	Being transfer of balance in purchases ledger offset against the balance in the sales ledger		

- (a) Prepare the following accounts in the books of Justin Horan for the month of April 2018. Balance the accounts on 30 April 2018 and bring the balances down to 1 May 2018.

(i)

C Son Account

(6)

Date	Details	£	Date	Details	£



(ii)

Sales Ledger Control Account

(6)

Date	Details	£	Date	Details	£

(iii)

Sales Account

(5)

Date	Details	£	Date	Details	£

(iv)

Returns Inward Account

(3)

Date	Details	£	Date	Details	£



- (b) Evaluate how maintaining a sales ledger control account benefits Justin in the management of his business.

(5)

(Total for Question 11 = 25 marks)



Section B

Question Number	Answer	Mark																																										
11(ai)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">C Son Account</p> <table><tr><th>Date</th><th>Details</th><th>£</th><th>Date</th><th>Details</th><th>£</th></tr><tr><td>Apr 1</td><td>Balance b/d</td><td>1800 (1)</td><td>Apr 3</td><td>Returns inwards (Book)</td><td>99 (1)</td></tr><tr><td>Apr 13</td><td>Sales (Book)</td><td>572 (1)</td><td>Apr 21</td><td>(PL) Set Off/ Contra</td><td>450 (1)</td></tr><tr><td></td><td></td><td></td><td>Apr 30</td><td>Cash (Book) (Bank)</td><td>1280 (1)</td></tr><tr><td></td><td></td><td></td><td>Apr 30</td><td>Balance c/d</td><td>543</td></tr><tr><td></td><td></td><td><u>2372</u></td><td></td><td></td><td><u>2372</u></td></tr><tr><td>May 1</td><td>Balance b/d</td><td>543 (1of)</td><td></td><td></td><td></td></tr></table>	Date	Details	£	Date	Details	£	Apr 1	Balance b/d	1800 (1)	Apr 3	Returns inwards (Book)	99 (1)	Apr 13	Sales (Book)	572 (1)	Apr 21	(PL) Set Off/ Contra	450 (1)				Apr 30	Cash (Book) (Bank)	1280 (1)				Apr 30	Balance c/d	543			<u>2372</u>			<u>2372</u>	May 1	Balance b/d	543 (1of)				(6)
Date	Details	£	Date	Details	£																																							
Apr 1	Balance b/d	1800 (1)	Apr 3	Returns inwards (Book)	99 (1)																																							
Apr 13	Sales (Book)	572 (1)	Apr 21	(PL) Set Off/ Contra	450 (1)																																							
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			Apr 30	Balance c/d	543																																							
		<u>2372</u>			<u>2372</u>																																							
May 1	Balance b/d	543 (1of)																																										

Question Number	Answer	Mark																																										
11(aii)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Sales Ledger Control Account</p> <table><tr><th>Date</th><th>Details</th><th>£</th><th>Date</th><th>Details</th><th>£</th></tr><tr><td>Apr 1</td><td>Balance b/d</td><td>7474 (1)</td><td>Apr 30</td><td>(PL) set off/Contra</td><td>450(1)</td></tr><tr><td>Apr 30</td><td>Sales (Book)</td><td>4 235 (1)</td><td></td><td>Returns inwards (Book)</td><td>385(1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Cash (Book) (Bank)</td><td>8712 (1)</td></tr><tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>2162</td></tr><tr><td></td><td></td><td><u>11709</u></td><td></td><td></td><td><u>11709</u></td></tr><tr><td>May 1</td><td>Balance b/d</td><td>2162 (1of)</td><td></td><td></td><td></td></tr></table>	Date	Details	£	Date	Details	£	Apr 1	Balance b/d	7474 (1)	Apr 30	(PL) set off/Contra	450 (1)	Apr 30	Sales (Book)	4 235 (1)		Returns inwards (Book)	385 (1)					Cash (Book) (Bank)	8712 (1)					Balance c/d	2162			<u>11709</u>			<u>11709</u>	May 1	Balance b/d	2162 (1of)				(6)
Date	Details	£	Date	Details	£																																							
Apr 1	Balance b/d	7474 (1)	Apr 30	(PL) set off/Contra	450 (1)																																							
Apr 30	Sales (Book)	4 235 (1)		Returns inwards (Book)	385 (1)																																							
				Cash (Book) (Bank)	8712 (1)																																							
				Balance c/d	2162																																							
		<u>11709</u>			<u>11709</u>																																							
May 1	Balance b/d	2162 (1of)																																										

Question Number	Answer	Mark																																				
11(aiii)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Sales Account</p> <table><tr><th>Date</th><th>Details</th><th>£</th><th>Date</th><th>Details</th><th>£</th></tr><tr><td>Apr 30</td><td>Balance c/d</td><td>25450</td><td>Apr 1</td><td>Balance b/d</td><td>21 000 (1)</td></tr><tr><td></td><td></td><td></td><td>Apr 15</td><td>Cash (Book) (Bank)</td><td>600/660 (2/1)</td></tr><tr><td></td><td></td><td></td><td>Apr 30</td><td>Sales (Book)</td><td>3 850 (1)</td></tr><tr><td></td><td></td><td><u>25450</u></td><td></td><td></td><td><u>25 450</u></td></tr><tr><td></td><td></td><td></td><td>May 1</td><td>Balance b/d</td><td>25 450 (1of)</td></tr></table>	Date	Details	£	Date	Details	£	Apr 30	Balance c/d	25450	Apr 1	Balance b/d	21 000 (1)				Apr 15	Cash (Book) (Bank)	600/660 (2/1)				Apr 30	Sales (Book)	3 850 (1)			<u>25450</u>			<u>25 450</u>				May 1	Balance b/d	25 450 (1of)	(5)
Date	Details	£	Date	Details	£																																	
Apr 30	Balance c/d	25450	Apr 1	Balance b/d	21 000 (1)																																	
			Apr 15	Cash (Book) (Bank)	600/660 (2/1)																																	
			Apr 30	Sales (Book)	3 850 (1)																																	
		<u>25450</u>			<u>25 450</u>																																	
			May 1	Balance b/d	25 450 (1of)																																	

Question Number	Answer	Mark																														
11 (aiv)	<p>Award marks for correct date, details and amounts in combination.</p> <p>(iv) Returns Inwards Account</p> <table><tr><th>Date</th><th>Narration</th><th>£</th><th>Date</th><th>Narration</th><th>£</th></tr><tr><td>Apr 1</td><td>Balance b/d</td><td>1342 (1)</td><td>Apr 30</td><td>Balance c/d</td><td>1692</td></tr><tr><td>Apr 30</td><td>Returns inwards (Book)</td><td>350 (1)</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td><u>1692</u></td><td></td><td></td><td><u>1692</u></td></tr><tr><td>May 1</td><td>Balance b/d</td><td>1692 (1of)</td><td></td><td></td><td></td></tr></table>	Date	Narration	£	Date	Narration	£	Apr 1	Balance b/d	1342 (1)	Apr 30	Balance c/d	1692	Apr 30	Returns inwards (Book)	350 (1)						<u>1692</u>			<u>1692</u>	May 1	Balance b/d	1692 (1of)				(3)
Date	Narration	£	Date	Narration	£																											
Apr 1	Balance b/d	1342 (1)	Apr 30	Balance c/d	1692																											
Apr 30	Returns inwards (Book)	350 (1)																														
		<u>1692</u>			<u>1692</u>																											
May 1	Balance b/d	1692 (1of)																														

Question Number	Answer	Mark
11 (b)	<p>Award up to (4) marks for a discussion on the benefits to the business of maintaining a sales ledger control account and a final (1) mark for a conclusion related to the scenario.</p> <p>Sample reasons The maintenance of a sales ledger control account can bring many benefits to Justin as :</p> <ul style="list-style-type: none"> • He will find it easier to identify errors (1) in the sales ledger (1). • He will also find it easier to prepare his financial statements (1) as the total of debtors will be easily available (1). • Fraud should be easier to identify (1) as the control account is usually maintained by a different person (1) <p>Conclusion (1) Therefore the preparation of a sales ledger control account will bring many benefits to Justin's business.</p>	(5)

SECTION B**Answer ALL questions.**

- 11** Charlotte, a sole trader, sells goods only on credit, offering all customers a trade discount of 10%. All sales are subject to VAT at the rate of 20%.

During the month of November 2016 she made the following transactions.

November	Transaction
2	Sold goods to L Homer, list price £280
3	Sold goods to M Ward, list price £540
8	L Homer returned goods, list price £70
12	Sold goods to J Courtney, list price £850
21	M Ward returned goods, list price £60
27	Sold goods to C Lion, list price £290
30	Sold goods to L Homer, list price £350

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- (a) Prepare Charlotte's sales book and sales returns book for the month of November 2016, showing the totals for the month.

(9)

Sales Book

Date	Name	Net £	Vat £	Total £

Sales Returns Book

Date	Name	Net £	Vat £	Total £

- (b) Complete the table below to indicate which side of the account the totals of **each** day book would be posted.

(6)

	Net		Vat		Total	
	Account	Debit/Credit	Account	Debit/Credit	Account	Debit/Credit
Sales book	Sales		Vat		Sales ledger control	
Sales returns book	Sales returns		Vat		Sales ledger control	



On 1 November 2016 L Homer owed Charlotte £400. On 7 November 2016 L Homer paid this amount by cheque after taking a cash discount of 5%.

- (c) Prepare the account of L Homer for the month of November 2016. Balance the account on 30 November 2016 and bring the balance down to 1 December 2016.

(7)

L Homer Account

Date	Narrative	Amount (£)	Date	Narrative	Amount (£)

- (d) Identify the source document Charlotte would use to record transactions in the following books of original entry.

(3)

Book	Source Document
Petty cash book	
Purchases book	
Purchases returns book	

(Total for Question 11 = 25 marks)



Section B

Question Number	Answer	Mark																																																																														
11(a)	<p>Award 1 mark for correct date, details and amounts in combination. Award 1 mark for total line</p> <p style="text-align: center;">Sales Book</p> <table><tr><th>Date</th><th>Name</th><th></th><th>£</th><th>£</th><th>£</th></tr><tr><td>Nov</td><td></td><td></td><td>Net</td><td>VAT</td><td>Total</td></tr><tr><td>2</td><td>L Homer</td><td>(1)</td><td>252.00</td><td>50.40</td><td>302.40</td></tr><tr><td>3</td><td>M Ward</td><td>(1)</td><td>486.00</td><td>97.20</td><td>583.20</td></tr><tr><td>12</td><td>J Courtney</td><td>(1)</td><td>765.00</td><td>153.00</td><td>918.00</td></tr><tr><td>27</td><td>C Lion</td><td>(1)</td><td>261.00</td><td>52.20</td><td>313.20</td></tr><tr><td>30</td><td>L Homer</td><td>(1)</td><td>315.00</td><td>63.00</td><td>378.00</td></tr><tr><td>30</td><td>Total for month</td><td>(1of)</td><td><u>2 079</u></td><td><u>415.80</u></td><td><u>2 494.80</u></td></tr></table> <p style="text-align: center;">Sales Returns Book</p> <table><tr><th>Date</th><th>Name</th><th></th><th>£</th><th>£</th><th>£</th></tr><tr><td>Nov</td><td></td><td></td><td>Net</td><td>VAT</td><td>Total</td></tr><tr><td>8</td><td>L Homer</td><td>(1)</td><td>63.00</td><td>12.60</td><td>75.60</td></tr><tr><td>21</td><td>M Ward</td><td>(1)</td><td>54.00</td><td>10.80</td><td>64.80</td></tr><tr><td>30</td><td>Total for month</td><td>(1of)</td><td><u>117.00</u></td><td><u>23.40</u></td><td><u>140.40</u></td></tr></table>	Date	Name		£	£	£	Nov			Net	VAT	Total	2	L Homer	(1)	252.00	50.40	302.40	3	M Ward	(1)	486.00	97.20	583.20	12	J Courtney	(1)	765.00	153.00	918.00	27	C Lion	(1)	261.00	52.20	313.20	30	L Homer	(1)	315.00	63.00	378.00	30	Total for month	(1of)	<u>2 079</u>	<u>415.80</u>	<u>2 494.80</u>	Date	Name		£	£	£	Nov			Net	VAT	Total	8	L Homer	(1)	63.00	12.60	75.60	21	M Ward	(1)	54.00	10.80	64.80	30	Total for month	(1of)	<u>117.00</u>	<u>23.40</u>	<u>140.40</u>	(9)
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11(b)	<p>Award 1 mark for each correct side</p> <table><tr><td></td><td colspan="2">Net</td><td colspan="2">VAT</td><td colspan="2">Total</td></tr><tr><td></td><td>Account</td><td>Debit/Credit</td><td>Account</td><td>Debit/Credit</td><td>Account</td><td>Debit/Credit</td></tr><tr><td>Sales book</td><td>Sales</td><td>Credit (1)</td><td>VAT</td><td>Credit (1)</td><td>Sales ledger control</td><td>Debit (1)</td></tr><tr><td>Sales returns book</td><td>Sales returns</td><td>Debit (1)</td><td>VAT</td><td>Debit (1)</td><td>Sales ledger control</td><td>Credit (1)</td></tr></table>		Net		VAT		Total			Account	Debit/Credit	Account	Debit/Credit	Account	Debit/Credit	Sales book	Sales	Credit (1)	VAT	Credit (1)	Sales ledger control	Debit (1)	Sales returns book	Sales returns	Debit (1)	VAT	Debit (1)	Sales ledger control	Credit (1)	(6)
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11(c)	<p>Award marks for correct date, narrative and amounts in combination.</p> <p style="text-align: center;">L Homer Account</p> <table><tr><th>Date</th><th>Narrative</th><th>£</th><th>Date</th><th>Narrative</th><th>£</th></tr><tr><td>Nov 1</td><td>Balance b/f</td><td>400 (1)</td><td>Nov 7</td><td>Cash book/Bank</td><td>380 (1)</td></tr><tr><td>Nov 2</td><td>Sales (book)</td><td>302.40 (1 of)</td><td></td><td>Cash book/Discount allowed</td><td>20 (1)</td></tr><tr><td>Nov 30</td><td>Sales (book)</td><td>378 (1 of)</td><td>Nov 8</td><td>Sales returns (book)</td><td>75.60 (1 of)</td></tr><tr><td></td><td></td><td></td><td>Nov 30</td><td>Balance c/d</td><td>604.80</td></tr><tr><td></td><td></td><td><u>1080.40</u></td><td></td><td></td><td>1080.40</td></tr><tr><td>Dec 1</td><td>Balance b/d</td><td>604.80 (1 of)</td><td></td><td></td><td></td></tr></table>	Date	Narrative	£	Date	Narrative	£	Nov 1	Balance b/f	400 (1)	Nov 7	Cash book/Bank	380 (1)	Nov 2	Sales (book)	302.40 (1 of)		Cash book/Discount allowed	20 (1)	Nov 30	Sales (book)	378 (1 of)	Nov 8	Sales returns (book)	75.60 (1 of)				Nov 30	Balance c/d	604.80			<u>1080.40</u>			1080.40	Dec 1	Balance b/d	604.80 (1 of)				(7)
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11(d)	<p>Award mark for each correctly identified document</p> <table><tr><th>Book</th><th>Document</th></tr><tr><td>Petty cash book</td><td>Petty cash voucher/voucher (1)</td></tr><tr><td>Purchases book</td><td>Purchase invoice/invoice (1)</td></tr><tr><td>Purchases returns book</td><td>Credit note (1)</td></tr></table>	Book	Document	Petty cash book	Petty cash voucher/voucher (1)	Purchases book	Purchase invoice/invoice (1)	Purchases returns book	Credit note (1)	(3)																																		
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SECTION B**Answer ALL questions.**

- 11** The following information was extracted from the books of Randall for the month of March 2017.

	£
Amount owing by debtors 1 March 2017	4 290
Credit sales	4 800
Cash sales	1 000
Returns inwards	320
Bad debts	253
Discount allowed	66
Customer's cheque dishonoured	210
Receipts from debtors	5 421

- (a) Prepare the sales ledger control account for the month of March 2017. Balance the account on 31 March 2017 and bring the balance down to 1 April 2017.

(8)

Sales Ledger Control Account

Date	Narrative	Amount (£)	Date	Narrative	Amount (£)



Randall purchases goods from several suppliers who all offer him trade discount of 10%. All purchases are subject to VAT at the rate of 20%.

During the month of April 2017 the following transactions took place.

April	Transaction
3	Purchased goods from T Hinds, list price £320
6	Purchased goods from R Tibbs, list price £1 390
10	Returned goods to T Hinds, list price £86
12	Purchased goods from W Brown, list price £890
24	Returned goods to R Tibbs, list price £210
28	Purchased goods from T Hinds, list price £450
30	Purchased goods from W Brown, list price £760

- (b) Prepare Randall's purchases book and purchases returns book for the month of April 2017, showing the totals for the month.

(9)

Purchases Book

Date	Name	£	£	£

Purchases Returns Book

Date	Name	£	£	£

(c) State **three** reasons why Randall's suppliers offer trade discount.

(3)

1

.....

.....

2

.....

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3

.....

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(Total for Question 11 = 20 marks)



Question Number	Answer	Mark																																															
11(a)	<p>Award marks for correct amounts as indicated.</p> <p>Award 1 mark for ALL correct dates and narratives</p> <p style="text-align: center;">Sales ledger control account</p> <table><tr><th>Date</th><th>Narrative</th><th>£</th><th>Date</th><th>Narrative</th><th>£</th></tr><tr><td>Mar 1</td><td>Bal b/f</td><td>4290 (1)</td><td>Mar 31</td><td>Returns inwards</td><td>320 (1)</td></tr><tr><td>Mar 31</td><td>Sales</td><td>4 800 (1)</td><td></td><td>Bad debts</td><td>253 (1)</td></tr><tr><td></td><td>Bank</td><td>210 (1)</td><td></td><td>Bank</td><td rowspan="2">5 421(1 for both) 66</td></tr><tr><td></td><td></td><td></td><td></td><td>Discount allowed</td></tr><tr><td></td><td></td><td></td><td></td><td>Bal c/d</td><td>3 240</td></tr><tr><td></td><td></td><td><u>9 300</u></td><td></td><td></td><td><u>9 300</u></td></tr><tr><td>Apr 1</td><td>Bal b/d</td><td>3 240 (1) of</td><td></td><td></td><td></td></tr></table>	Date	Narrative	£	Date	Narrative	£	Mar 1	Bal b/f	4290 (1)	Mar 31	Returns inwards	320 (1)	Mar 31	Sales	4 800 (1)		Bad debts	253 (1)		Bank	210 (1)		Bank	5 421 (1 for both) 66					Discount allowed					Bal c/d	3 240			<u>9 300</u>			<u>9 300</u>	Apr 1	Bal b/d	3 240 (1) of				(8)
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Question Number	Answer	Mark
11 (b)	Award 1 mark for correct date, details and amounts in combination. Award 1 mark for total line	(9)

Purchases Book

Date	Name	£	£	£
Apr 3	T Hinds	288.00	57.60	345.60 (1)
Apr 6	R Tibbs	1 251.00	250.20	1 501.20 (1)
Apr 12	W Brown	801.00	160.20	961.20 (1)
Apr 28	T Hinds	405.00	81.00	486.00 (1)
Apr 30	W Brown	684.00	136.80	820.80 (1)
	Total for month	<u>3 429.00</u>	<u>685.80</u>	<u>4 114.80</u> (1of)

Purchases Returns Book

Date	Name	£	£	£
Apr 10	T Hinds	77.40	15.48	92.88 (1)
Apr 24	R Tibbs	189.00	37.80	226.80 (1)
	Total for month	<u>266.40</u>	<u>53.28</u>	<u>319.68</u> (1of)

Question Number	Answer	Mark
11 (c)	<p>Award 1 mark for each correctly stated reason (max 3)</p> <p>Sample responses</p> <p>Purchasing large or bulk quantities</p> <p>To encourage repeat business</p> <p>For businesses in the same trade</p>	(3)

Question Number	Answer	Mark																																																															
12 (a)	<p>Award 1 mark for each correct figure</p> <p>R Hopkins Balance Sheet as at 28 February 2017</p> <table border="1"> <thead> <tr> <th></th><th>£</th><th>£</th></tr> </thead> <tbody> <tr> <td>Fixed assets</td><td></td><td></td></tr> <tr> <td>Motor vehicles</td><td>15 400</td><td></td></tr> <tr> <td>Fixtures and fittings</td><td><u>1 900</u></td><td></td></tr> <tr> <td></td><td></td><td>17 300 (1)</td></tr> <tr> <td>Current assets</td><td></td><td></td></tr> <tr> <td>Stock</td><td>5 521</td><td></td></tr> <tr> <td>Debtors</td><td>7 429</td><td></td></tr> <tr> <td>Cash at bank</td><td>3 126</td><td></td></tr> <tr> <td>Cash in hand</td><td><u>289</u></td><td></td></tr> <tr> <td></td><td>16 365</td><td></td></tr> <tr> <td>Current liabilities</td><td></td><td></td></tr> <tr> <td>Creditors</td><td>5 288</td><td></td></tr> <tr> <td>Working Capital</td><td></td><td><u>11 077</u>(1 of)</td></tr> <tr> <td></td><td></td><td><u>28 377</u>(1of)</td></tr> <tr> <td>Financed by</td><td></td><td></td></tr> <tr> <td>Capital</td><td>10 000</td><td></td></tr> <tr> <td>Net profit</td><td>23 698</td><td></td></tr> <tr> <td></td><td><u>33 698</u></td><td></td></tr> <tr> <td>Drawings</td><td>5 321</td><td></td></tr> <tr> <td></td><td></td><td><u>28 377</u>(1)</td></tr> </tbody> </table>		£	£	Fixed assets			Motor vehicles	15 400		Fixtures and fittings	<u>1 900</u>				17 300 (1)	Current assets			Stock	5 521		Debtors	7 429		Cash at bank	3 126		Cash in hand	<u>289</u>			16 365		Current liabilities			Creditors	5 288		Working Capital		<u>11 077</u> (1 of)			<u>28 377</u> (1of)	Financed by			Capital	10 000		Net profit	23 698			<u>33 698</u>		Drawings	5 321				<u>28 377</u> (1)	(4)
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