

Book-Keeping & Accounts Level 2
81008
Marking Scheme V1

NB * indicates own figure.

Task 1

| Journal | | |
|---|-----------------|-----------------|
| Details | Dr £ | Cr £ |
| Sales | 268 (1) | |
| Bank | | 268 (1) |
| Being cheque returned by bank marked 'refer to drawer' in respect of cash sales | | |
| Purchase | 198 (1) | |
| Suspense | | 198 (1) |
| Being correction of error purchase day book total under posted by £198 | | |
| Drawings | 75 (1) | |
| Sundry expenses | | 75 (1) |
| Being correction of error sundry expenses wrongly debited | | |
| Bad debts | 493 (1) | |
| Brian Jones | | 493 (1) |
| Being bad debt written off due to bankruptcy of debtor | | |
| Discount allowed | 147 (1) | |
| Suspense | | 147 (1) |
| Being correction of error discount allowed account posting omitted. | | |

1 mark for 3- 4 reasonable narratives OR 2 marks for 5.

(Total 12 marks)

Task 2

| Extended Trial Balance | | Jane Hubbard | | Year to 31 December | | | | |
|--|----------------|----------------|---------------|---------------------|----------------|----------------|----------------|----------------|
| Account | Trial Balance | | Adjustments | | Profit & Loss | | Balance Sheet | |
| | Dr £ | Cr £ | Dr £ | Cr £ | Dr £ | Cr £ | Dr £ | Cr £ |
| Sales | | 120 000 | | | | 120 000 (1) | | |
| Purchases | 64 000 | | | | 64 000 (1) | | | |
| Opening Stock | 12 000 | | | | 12 000 (1) | | | |
| Motor vehicles at cost | 32 000 | | | | | | 32 000 (1) | |
| Motor vehicles – provision for depreciation | | 6 400 | | 6 400 (1) | | | | 12 800 (1) |
| Fixtures and fittings at cost | 18 000 | | | | | | 18 000 (1) | |
| Fixtures and fittings – provision for depreciation | | 1 800 | | 1 620 (1) | | | | 3 420 (1) |
| Trade debtors | 17 500 | | | | | | 17 500 (1) | |
| Trade creditors | | 8 900 | | | | | | 8 900 (1) |
| Cash at bank | 11 300 | | | | | | 11 300 (1) | |
| Provision for doubtful debts | | 400 | | 300 (1) | | | | 700 (1) |
| Salaries and wages | 21 600 | | 1 100 (1) | | 22 700 (1) | | | |
| Rent and rates | 7 800 | | | 850 (1) | 6 950 (1) | | | |
| Administration and office expenses | 8 500 | | | | 8 500 (1) | | | |
| Capital | | 63 200 | | | | | | 63 200 (1) |
| Drawings | 8 000 | | | | | | 8 000 (1) | |
| Closing stock | | | 14 500 | 14 500 | | 14 500 (1) | 14 500 (1) | |
| Accruals | | | | 1 100 (1) | | | | 1 100 (1) |
| Prepayments | | | 850 (1) | | | | 850 (1) | |
| Doubtful debts | | | 300 (1) | | 300 (1) | | | |
| Depreciation – Motor vehicles | | | 6 400 (1) | | 6 400 (1) | | | |
| Depreciation – Fixtures and fittings | | | 1 620 (1) | | 1 620 (1) | | | |
| Net profit | | | | | 12 030 (1) | | | 12 030 (1)* |
| | 200 700 | 200 700 | 24 770 | 24 770 | 134 500 | 134 500 | 102 150 | 102 150 |
| | | | (10 marks) | | (11 marks) | | (14 marks) | |

(Total 35 marks)

Task 3

| Motor Vehicle Account | | | |
|------------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 84 000 (1) | | |

(1 mark)

| Provision for Depreciation Account – Motor Vehicle | | | |
|---|---------------------|-----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance c/d | 67 200 (1) | Balance b/f | 50 400 (1) |
| | | Profit and loss | 16 800 (1) |
| | 67 200 | | 67 200 |
| | | | 67 200 (1)* |

(4 marks)

| Office Equipment Account | | | |
|---------------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 16 000 (1) | | |

(1 mark)

| Provision for Depreciation Account – Office Equipment | | | |
|--|---------------------|-----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance c/d | 6 735 (1) | Balance b/f | 5 100 (1) |
| | | Profit and loss | 1 635 (1) |
| | 6 735 | | 6 735 |
| | | Balance b/d | 6 735 (1)* |

(4 marks)

(Total 10 marks)

Task 4

| Item of Expenditure | Revenue Expenditure | Capital Expenditure |
|--|----------------------------|----------------------------|
| Purchase of a computer for office use | | √ (1) |
| Rates on a new office building | √ (1) | |
| Wages of a workforce in construction of new office building | | √ (1) |
| Building insurance in respect of fire | √ (1) | |
| Commission paid to salesmen | √ (1) | |
| Bank charges | √ (1) | |
| New tyre replaced on lorry as part of annual service | √ (1) | |
| Temporary hire of car for manager while awaiting replacement | √ (1) | |

NB: If candidates tick both revenue and capital for an item no marks is to be awarded.

(Total 8 marks)

Task 5

| Trade Debtors Control Account | | | |
|--------------------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 95 000 | Bad debts | 800 (1) |
| | | Balance c/d | 94 200 (1) |
| | 95 000 | | 95 000 |
| | 94 200 (1)* | | |

(3 marks)

| Bad Debts Account | | | |
|--------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| R Wilks | 480 (1) | Profit & loss | 800 |
| A Cousins | 320 (1) | | |
| | 800 | | 800 |

(2 marks)

| Provision for Doubtful Debts Account | | | |
|---|---------------------|-----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance c/d | 5 652 | Balance b/d | 4 980 (1) |
| | | Profit and loss | 672 (1)* |
| | 5 652 | | 5 652 |
| | | | 5 652 (1) |

(3 marks)

(Total 8 marks)

Task 6

| Insurance Account | | | |
|--------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 4 200 | Profit & loss | 2 350 (1) |
| | | Balance c/d | 1 850 (1) |
| | 4 200 | | 4 200 |
| Balance b/d | 1 850 (1)* | | |
| | | | |

(3 marks)

| Electricity Account | | | |
|----------------------------|---------------------|-------------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 8 452 | Profit & loss a/c | 8 944 (1) |
| Balance c/d | 492 (1) | | |
| | 8 944 | | 8 944 |
| | | Balance b/d | 492 (1)* |

(3 marks)

| Commission Receivable Account | | | |
|--------------------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Profit & loss a/c | 12 198 (1) | Balance b/f | 7 988 |
| | | Balance c/d | 4 210 (1) |
| | 12 198 | | 12 198 |
| Balance b/d | 4 210 (1)* | | |

(3 marks)

(Total 9 marks)

Task 7

| G Smythe Account | | | |
|-------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Returns | 579 (1) | Balance b/f | 4 825 |
| Bank | 4 583 (1) | Purchases | 6 107 (1) |
| Discount | 242 (1) | | |
| Balance c/d | 5 528 | | |
| | 10 932 | | 10 932 |
| | | Balance b/d | 5 528 |

(4 marks)

| B Huggett Account | | | |
|--------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 361 | Purchases | 1 652 (1) |
| Returns | 162 (1) | | |
| Bank | 1 000 | | |
| Balance c/d | 129 | | 1 652 |
| | 1 652 | | |
| | | Balance b/d | 129 |

(2 marks)

| H Pincher Account | | | |
|--------------------------|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Returns | 387 (1) | Balance b/f | 7 948 |
| Bank | 5 400 (1) | Purchases | 6 036 (1) |
| Discount | 162 (1) | | |
| Balance c/d | 8 035 | | |
| | 13 984 | | 13 984 |
| | | Balance b/d | 8 035 |

(4 marks)

| Purchase Ledger Control Account | | | |
|--|---------------------|----------------|---------------------|
| Details | Amount £ | Details | Amount £ |
| Balance b/f | 361 | Balance b/f | 12 773 |
| Returns | 1 128 (1) | Purchases | 13 795 (1) |
| Bank | 10 983 (1) | | |
| Discount | 404 (1) | | |
| Balance c/d | 13 692 | | |
| | 26 568 | | 26 568 |
| | | Balance b/d | 13 692 |

(4 marks)

| Reconciliation of Ledger Balances with Control Account Balances | |
|--|--------------------|
| G Smythe | 5 528 (1) |
| B Huggett | 129 (1) |
| H Pitcher | 8 035 (1) |
| Purchase ledger control accounts balance | 13 692 (1)* |

(4 marks)

(Total 18 marks)

Grading - A pass to be awarded for 60% or more and a First Class Pass for 75% or more.