

Level 1/2/3 Award in Book-Keeping and Accounts (8991)



Examination Support Guide

www.cityandguilds.com
December 2008
Version 4.0

About City & Guilds

City & Guilds is the UK's leading provider of vocational qualifications, offering over 500 awards across a wide range of industries, and progressing from entry level to the highest levels of professional achievement. With over 8500 centres in 100 countries, City & Guilds is recognised by employers worldwide for providing qualifications that offer proof of the skills they need to get the job done.

City & Guilds Group

The City & Guilds Group includes ILM (the Institute of Leadership & Management) providing management qualifications, learning materials and membership services and NPTC which offers land-based qualifications and membership services. City & Guilds also manages the Engineering Council Examinations on behalf of the Engineering Council.

Equal opportunities

City & Guilds fully supports the principle of equal opportunities and we are committed to satisfying this principle in all our activities and published material. A copy of our equal opportunities policy statement *Access to assessment and qualifications* is available on the City & Guilds website.

Copyright

The content of this document is, unless otherwise indicated, © The City and Guilds of London Institute 2005 and may not be copied, reproduced or distributed without prior written consent.

However, approved City & Guilds centres and learners studying for City & Guilds qualifications may photocopy this document free of charge and/or include a locked PDF version of it on centre intranets on the following conditions:

- centre staff may copy the material only for the purpose of teaching learners working towards a City & Guilds qualification, or for internal administration purposes
- learners may copy the material only for their own use when working towards a City & Guilds qualification
- the *Standard Copying Conditions* on the City & Guilds website.

Please note: National Occupational Standards are not © The City and Guilds of London Institute. Please check the conditions upon which they may be copied with the relevant Sector Skills Council.

Publications

City & Guilds publications are available on the City & Guilds website or from our Publications Sales department at the address below or by telephoning +44 (0)20 7294 2850 or faxing +44 (0)20 7294 3387.

Every effort has been made to ensure that the information contained in this publication is true and correct at the time of going to press. However, City & Guilds' products and services are subject to continuous development and improvement and the right is reserved to change products and services from time to time. City & Guilds cannot accept liability for loss or damage arising from the use of information in this publication.

City & Guilds

1 Giltspur Street

London EC1A 9DD

T +44 (0)20 7294 2800

F +44 (0)20 7294 2400

www.cityandguilds.com

enquiry@cityandguilds.com

Level 1/2/3 Award in Book- Keeping and Accounts (8991)

Examination Support Guide

This page is intentionally blank

Contents

1	About the Qualification	
1.1	Introduction	5
1.2	General Information for Centres	7
2	Level 1 Sample Assessment Material	
2.1	Sample Question Paper	9
2.2	Sample Marking Scheme	19
2.3	Worked Question Paper	26
3	Level 2 Sample Assessment Material	
3.1	Sample Question Paper	38
3.2	Sample Marking Scheme	48
3.3	Worked Question Paper	54
4	Level 3 Sample Assessment Material	
4.1	Sample Question Paper	63
4.2	Sample Marking Scheme	76
4.3	Worked Question Paper	83
5	General Guidance	
5.1	Guidance for Tutors	95
5.2	Guidance for Candidates	97
	Appendix 1 - Level 1 Templates	100
	Appendix 2 - Level 2 Templates	105
	Appendix 3 - Level 3 Templates	107
	Appendix 4 - Recommended Reading List and Resources	111

This page is intentionally blank

1 About the Qualification

1.1 Introduction

Aim of qualification

The Book-keeping and Accounts award offers the opportunity for candidates to study the fundamentals of book-keeping and accounts in the context of a variety of settings. It concentrates on basic core areas which are met on a day to day basis in the accounting environment of any business and which underpin future studies in accounting.

The award is divided into three levels.

Level 1

The aim of the level 1 qualification is to provide candidates with an introduction to book-keeping practices and to process source documents that underpin accurate record keeping.

At level 1 learners:

- Check and process documents involved in financial record keeping
- Develop skills to carry out routine book-keeping processes
- Develop underpinning knowledge of book-keeping principles
- Prepare statements as a preliminary to financial control

Level 2

The aim of the level 2 qualification is to further develop the introductory book-keeping practices and processes studied at level one to enable candidates to adjust ledger accounts to take account of activities at the trial balance date which affect the production of an accurate trading, profit and loss account and balance sheet.

At level 2 learners:

- Check and correct errors arising from inaccurate/incomplete/missing entries in the ledger and day books
- Provide for depreciation of fixed assets using ledger accounts
- Account for accruals, prepayments, bad debts and provide for doubtful debts
- Prepare individual accounts in purchase and sales ledgers
- Prepare purchase ledger control accounts and sales ledger control accounts
- Complete an extended trial balance

Level 3

The aim of the level 3 qualification is to further develop the practices and processes studied at level one and two book-keeping and accounts to enable candidates to record and interpret financial transactions up to and including final accounts.

At level 3 learners:

- Prepare final accounts of sole trader, partnerships, companies and not-for-profit organisations from conventional and incomplete records
- Prepare year end and other adjustments associated with the above variety of organisations
- Demonstrate an understanding of accounts through analysis and interpretation

Target group

Level 1

The qualification is aimed at people seeking a first qualification in book-keeping and accounts. It is both a single subject, demonstrating an understanding of book-keeping and accounts within a business/administration foundation course, and also a foundation upon which to progress within this particular area of study.

This book-keeping and accounting syllabus is a useful complement to the study of business finance.

Candidates who are successful in this examination would be qualified to fulfil a junior role in an accounts office.

Level 2

The qualification is aimed at people seeking to develop foundation skills in book-keeping and accounts. A candidate who is successful in this examination would be competent to fulfil a wide range of routine functions in an accounts office.

Alternatively, the syllabus provides a degree of specialisation within a broad course of study in business and finance.

Candidates who are studying Computerised Accounts at Levels 1 and 2 will find it useful to study Book-keeping and Accounts Levels 1 and 2 in parallel, to enhance their understanding of the subject.

Level 3

This level of study should appeal to a range of persons of all ages whether receiving tuition on a full or part time basis. It is intended for those who need a certificate of book-keeping and accounting competence at technician level for immediate vocational need. It is also suited to those who aspire to become a section leader in a larger organisation or a senior book-keeper in a small organisation. Successful candidates would also be competent to act as treasurers to clubs and voluntary societies.

This book-keeping and accounting syllabus is a useful complement to the study of business finance.

A knowledge of principles of book-keeping up to Level 2 standard is expected.

1 About the Qualification

1.2 General information for centres

The syllabus

The syllabus outcomes can be found in the qualification handbook which is downloadable from the City & Guilds website. www.cityandguilds.com

Guided learning hours

City & Guilds do not determine the length of courses, or the number of hours of study required (i.e. in the classroom or in self-study set by the trainer/tutor).

The best indicator is when candidates have covered all areas of the syllabus and can successfully complete a sample test paper within the given time.

Success in the examination results from demonstrating the ability to achieve the objectives that will be tested. Practice papers will enable candidates to know what is expected of them in an examination.

The recommended learning hours for Level 1 and 2 are 30 hours each and 60 hours for Level 3. Please note that the length of each course will vary according to the circumstances and learners.

The examination

For all three levels the examination is a question and answer booklet. The question and answer booklet will include source documents together with pre-prepared stationery – learners will not be required to use any other materials to complete their answers.

The examination paper consists of a number of practical tasks, all of which should be attempted by the candidate but the order in which they are undertaken will not be specified. All areas of the syllabus will be tested on every paper and tasks will follow a standard format, although details will vary on each paper.

Candidates must complete all tasks within the examination time.

Calculators and English and mother tongue dictionaries are allowed during the examination.

All final answers must be in blue or black ink.

If additional separate sheets of paper are used, ensure they are clearly labelled with the candidate's name.

We recommend that candidates complete the paper in task order.

Examination times

Level 1

The examination lasts for 1 hour 30 minutes (Plus 5 minutes' reading time). Note making during reading time is not allowed.

Level 2

The examination lasts for 2 hours (Plus 5 minutes' reading time). Note making during reading time is not allowed.

Level 3

The examination lasts for 2 hours 30 minutes (Plus 5 minutes' reading time). Note making during reading time is not allowed.

Assessment

Candidates' performance will be assessed as follows:

To be awarded a Pass candidates must achieve 60%. (60 out of 100 marks)

To be awarded a First Class Pass candidates must achieve 75% overall. (75 out of 100 marks)

2 Level 1 Sample Assessment Material

2.1 Sample Question Paper

Book-keeping and Accounts

Level 1

8991-01-001

Sample paper 002

This paper must be returned with the candidate's work, otherwise the entry will be void and no result will be issued.



Candidate's name (**Block letters please**)

Centre no

Date

Time allowed: 1 hour 30 minutes
(plus 5 minutes reading time).

Note making is not allowed during reading time.

The marks allocated to each question are shown in brackets.

All answers must be written in ink.

Calculators may be used.

Show all your workings.

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name.

For examiner's use only

T1	T2	T3	T4	T5	Q6	T7	T8	T9	T10	Total
/12	/11	/4	/5	/10	/16	/4	/12	/6	/20	/100

Scenario

You work as an office trainee in the accounts department of Walls Windows, a manufacturer of quality windows to the retail trade. Your work is varied and today there are a number of tasks for you to complete. **Today's date is 19 January.**

Task 1

Four invoices have been prepared by an inexperienced sales clerk and these are shown below.

Check the calculations of each invoice. If **you find that one or more of the invoices are incorrect** you are to recalculate the invoice(s) showing full workings in the space(s) provided.

(12 marks)

<p>INVOICE</p> <p>WALLS WINDOWS WILD LANE MILLOM</p> <p>Tiller & Co Invoice No 223 Cardiff Date: 18 January Wales</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td>7 x windows @ £50 each</td> <td style="text-align: right;">350 00</td> </tr> <tr> <td>Less 5% trade discount</td> <td style="text-align: right;">17 50</td> </tr> <tr> <td>Add sales tax @ 15%</td> <td style="text-align: right;"><u>52 50</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>385 00</u></td> </tr> </table> <p>Terms 30 days net</p>		£	7 x windows @ £50 each	350 00	Less 5% trade discount	17 50	Add sales tax @ 15%	<u>52 50</u>	Total	<u>385 00</u>	<p>INVOICE</p> <p>WALLS WINDOWS WILD LANE MILLOM</p> <p>Mavis & Co Invoice No 224 Exeter Date: 18 January Devon</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td>6 x windows @ £70 each</td> <td style="text-align: right;">420 00</td> </tr> <tr> <td>Less 5% trade discount</td> <td style="text-align: right;">21 00</td> </tr> <tr> <td>Add sales tax @ 15%</td> <td style="text-align: right;"><u>59 85</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>458 85</u></td> </tr> </table> <p>Terms 30 days net</p>		£	6 x windows @ £70 each	420 00	Less 5% trade discount	21 00	Add sales tax @ 15%	<u>59 85</u>	Total	<u>458 85</u>
	£																				
7 x windows @ £50 each	350 00																				
Less 5% trade discount	17 50																				
Add sales tax @ 15%	<u>52 50</u>																				
Total	<u>385 00</u>																				
	£																				
6 x windows @ £70 each	420 00																				
Less 5% trade discount	21 00																				
Add sales tax @ 15%	<u>59 85</u>																				
Total	<u>458 85</u>																				
<p>Your calculation if necessary</p>	<p>Your calculation if necessary</p>																				

Task 2

Some sales invoices that you previously checked and your supervisor confirmed as being correct are detailed below. Enter invoice numbers 219 – 222 into the sales day book, totalling the sales day book as at 18 January.

INVOICE		INVOICE	
WALLS WINDOWS WILD LANE MILLOM		WALLS WINDOWS WILD LANE MILLOM	
Tiller & Co Cardiff Wales	Invoice No 219 Date: 16 January	Mavis & Co Exeter Devon	Invoice No 220 Date: 16 January
	£		£
4 x windows @ £50 each	200 00	5 x windows @ £75 each	375 00
Less 5% trade discount	10 00	Less 5% trade discount	18 75
Add sales tax @ 15%	<u>28 50</u>	Add sales tax @ 15%	<u>53 44</u>
Total	<u>218 50</u>	Total	<u>409 69</u>
Terms 30 days net		Terms 30 days net	

INVOICE		INVOICE	
WALLS WINDOWS WILD LANE MILLOM		WALLS WINDOWS WILD LANE MILLOM	
Peters & Co Stortford Kent	Invoice No 221 Date: 17 January	Tiller & Co Cardiff Wales	Invoice No 222 Date: 17 January
	£		£
5 x windows @ £60 each	300 00	2 windows @ £100 each	200 00
Less 5% trade discount	15 00	Less 5% trade discount	10 00
Add sales tax @15%	<u>42 75</u>	Add sales tax @15%	<u>28 50</u>
Total	<u>327 75</u>	Total	<u>218 50</u>
Terms 30 days net		Terms 30 days net	

Walls Windows Sales day book					
Date	Customer	Invoice No	Total	Sales tax	Net

(11 marks)

Task 3

Transfer the sales day book totals to the ledger accounts below:

Sales account					
Date	Details	Amount	Date	Details	Amount

(2 marks)

Sales tax account					
Date	Details	Amount	Date	Details	Amount

(2 marks)

(Total 4 marks)

Task 4

Complete the ledger account for Tiller & Co below, balancing the account at 19 January and bringing down the balance.

Tiller & Co account					
Date	Details	Amount	Date	Details	Amount

(5 marks)

Task 5

Below is the Petty Cash Book for the week ended 13 January. The opening balance of £200 at 6 January needs to be entered and two further petty cash vouchers need entering before the petty cash book can be balanced for the week. These vouchers are shown below:

PETTY CASH VOUCHER	
	No 10
Date: 13 Jan	£ P
Required for:	
Postage stamps	<u>5</u> 10
Signed by:	H Wills

PETTY CASH VOUCHER	
	No 11
Date: 13 Jan	£ P
Required for:	
Plain paper	3 25
Tax	<u>0</u> 49
	3 74
Signed by:	D Thom

Enter the opening balance in the petty cash book. Enter voucher numbers 10 and 11 into the petty cash book on the opposite page. Balance the petty cash book at 13 January, bringing down the balance and restoring the imprest to £200 00 at 14 January.

Petty Cash Book								
Receipts	Date	Details	Voucher Number	Total	Tax	Postage	Travel	Stationery
	7 Jan	Postage stamps	01	5 00	Nil	5 00		
	9 Jan	Plain paper	02	3 45	0 45			3 00
	9 Jan	Taxi Fare	03	14 95	1 95		13 00	
	10 Jan	Receipt book	04	12 65	1 65			11 00
	11 Jan	Parcel postage	05	3 25	Nil	3 25		
	11 Jan	Train fares	07	11 67	1 52		10 15	
	12 Jan	Envelopes	08	4 89	0 64			4 25
	12 Jan	Airmail postage	09	3 15	Nil	3 15		

(10 marks)

Task 6

You now look at four purchase invoices that have been approved for payment. Walls Windows policy is to pay strictly according to invoice terms and to take advantage of any settlement discounts. A summary of the invoices is shown below:

Invoice date	Supplier	Terms	Net £	Tax (15%) £	Gross £
21 Dec	Glass Is Us	30 days	400.00	60.00	460.00
29 Dec	Glass Is Us	30 days	450.00	67.50	517.50
15 Jan	Easyclean	30 days*	475.00	67.68	542.68
16 Jan	Easyclean	30 days*	480.00	68.40	548.40

* These invoices state '5% settlement discount for payment within 7 days'.

Showing your workings calculate below the total amount due to Glass Is Us and Easyclean, taking into account any settlement discounts:

Glass Is Us

(3 marks)

Easyclean

(13 marks)
(Total 16 marks)

Task 7

Complete the cheque below to pay the required amount to Easyclean:

(4 marks)

Lancashire Bank plc		85-70-42
Preston (770011) Branch	Date _____	
Preston PNE2		
Pay _____	A/C Payee	_____
_____		_____
_____		_____
		<div style="border: 1px solid black; width: 40px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">£</div>
		Walls Windows
221123	85 70 42	98733112

Task 8

A bank statement arrived from Lancashire Bank plc today and is detailed below:

BANK STATEMENT				
Lancashire Bank plc Preston Branch				
In account with: Walls Windows				
All entries to: 18 January are inclusive and complete			Account No: 98733112	
Date	Detail	£	£	Balance £
01 Jan	Balance			3 200
02 Jan	BACS – Steve Lane		700	3 900
03 Jan	Donald Mark	250		3 650
09 Jan	BGC - Sales		950	4 600
11 Jan	Internet banking – Asif Ahmed	375		4 225
12 Jan	Bank charges	25		4 200
13 Jan	Susan Eve (Returned cheque)	475		3 725
15 Jan	Rent refund SO		65	3 790
16 Jan	BACS – Elaine Mack		1 220	5 010
17 Jan	Telephone charges – DD	75		4 935
18 Jan	ATM/Cash machine	80		4 855
DD = Direct Debit SO = Standing Order BGC = Bank Giro Credit BACS = Bankers Automated Clearing Services				

The cash book (bank columns only) for the month is detailed below. Update the cash book at 19 January. Balance the cash book at 19 January and bring down the balance.

(12 marks)

Walls Windows					
Cash Book					
(Bank columns only)					
Date	Details	£	Date	Details	£
01 Jan	Balance b/d	3 200	01 Jan	Donald Mark	250
09 Jan	Sales	950			
15 Jan	Susan Hands	880			
16 Jan	Ann Cooke	380			

Capital account					
Date	Details	Amount	Date	Details	Amount

(1 mark)

Sales account					
Date	Details	Amount	Date	Details	Amount

(4 marks)

Rent account					
Date	Details	Amount	Date	Details	Amount

(3 marks)

Purchases account					
Date	Details	Amount	Date	Details	Amount

(3 marks)

Tammy Hill Trial Balance as at 6 January		
	Dr	Cr

(6 marks)

(Total 20 marks)

2 Level 1 Sample Assessment Material

2.2 Sample Marking Scheme

Sample Paper 002 - NB * indicates own figure.

Task 1

Invoice 223: £350(1) – £17 50 (1) = £332 50(1) + £49 88 (1) = £382 38 (2) or (1)*

Invoice 225: £420(1) – £21 (1) = £399(1) + £59 85 (1) = £458 85 (2) or (1)*

NB: if candidate only provides partial workings but has the correct answer, full marks will be awarded

(12 marks)

Task 2

Walls Windows Sales day book					
Date	Customer	Invoice No	Total	Sales tax	Net
16 Jan	Tiller & Co	219	218 50(1)	28 50	190 00 (1)
16 Jan	Mavis & Co	220	409 69(1)	53 44	356 25 (1)
17 Jan	Peters & Co	221	327 75(1)	42 75	285 00 (1)
17 Jan	Tiller & Co	222	<u>218 50(1)</u>	<u>28 50</u>	<u>190 00 (1)</u>
18 Jan			1174 44(1)*	153 19 (1)*	1021 25 (1)*

(11 marks)

Task 3

Sales account					
Date	Details	Amount	Date	Details	Amount
			18 Jan	Sales day book	1021 25 (2)or(1)*

(2 Marks)

Sales tax account					
Date	Details	Amount	Date	Details	Amount
			18 Jan	Sales day book	153 19 (2)or(1)*

(2 marks)

(Total 4 marks)

Task 4

Tiller & Co account					
Date	Details	Amount	Date	Details	Amount
16 Jan	Sales	218 50 (1)*			
17 Jan	Sales	<u>218 50 (1)*</u>	19 Jan	Balance c/d	<u>437 00 (2)or(1)*</u>
		<u>437 00</u>			<u>437 00</u>
20 Jan	Balance b/d	437 00 (1)*			

(5 marks)

Task 5

Petty Cash Book									
Receipts	Date	Details	Voucher Number	Total	Tax	Postage	Travel	Stationery	
200 00	6 Jan	Balance b/fwd (1)							
	7 Jan	Postage stamps	01	5 00	Nil	5.00			
	9 Jan	Plain paper	02	3 45	0.45			3.00	
	9 Jan	Taxi Fare	03	14 95	1.95		13.00		
	10 Jan	Receipt book	04	12.65	1.65			11.00	
	11 Jan	Parcel postage	05	3 25	Nil	3.25			
	11 Jan	Train fares	07	11 67	1.52		10.15		
	12 Jan	Envelopes	08	4 89	0.64			4.25	
	12 Jan	Airmail postage	09	3 15	Nil	3.15			
	13 Jan	Postage stamps	10	5 10	Nil	5.10			(1) for line
	13 Jan	Plain paper	11	<u>3 74</u>	<u>0.49</u>	<u> </u>	<u> </u>	<u>3.25</u>	(1) for line
				67 85 (1)	<u>6.70</u>	<u>16.50</u>	<u>23.15</u>	<u>21.50</u>	
<u> </u>	13 Jan	Balance c/d		<u>132 15</u> (2)					
<u>200 00</u>				<u>200 00</u>					
132 15	14 Jan	Balance b/d (1)*					(1)		
67 85	14 Jan	Cash (2)or(1)*							

(10 marks)

Task 6

Glass is Us £460 (1) + £517 50 (1) = £977 50 (1)

(3 marks)

Easyclean

£475 (1) – 5% (1) = £451 25 (1) + £67.68 (1) = £518.93 (2) or (1)*

£480 (1) – 5% (1) = £456 00 (1) + £68.40 (1) = £524.40 (2) or (1)*
= £1043.33 (1)

(13 marks)
(Total 16 marks)

Task 7

Lancashire Bank plc		85-70-42
Preston (770011) Branch Preston PNE2		Date 19 January (1)
Pay Easy Clean (1)		
One Thousand		and forty three
pounds thirty three		pence (1)*
A/C Payee		£1043. 33 (1)*
		Walls Windows
221123	85 70 42	98733112

(4 marks)

Task 8

Walls Windows					
Cash Book					
(Bank columns only)					
Date	Details	£	Date	Details	£
01 Jan	Balance b/d	3 200	01 Jan	Donald Mark	250
09 Jan	Sales	950	19 Jan	Asif Ahmed	375 (1)
15 Jan	Susan Hands	880	19 Jan	Bank charges	25 (1)
16 Jan	Ann Cooke	380	19 Jan	Susan Eve	475 (1)
19 Jan	Steve Lane	700 (1)	19 Jan	Telephone charges	75 (1)
19 Jan	Rent refund	65 (1)	19 Jan	Cash	80 (1)
19 Jan	Elaine Mack	<u>1 220</u> (1)	19 Jan	Balance c/d	<u>6 115</u> (2)or(1)*
		<u>7 395</u>			<u>7 395</u>
20 Jan	Balance b/d	6 115 (2)or(1)*			

(12 marks)

Task 9

Walls Windows bank reconciliation statement as at 19 January:	
Balance per updated cashbook	6 115 (1)*
Add unrepresented cheques	
Nil	
Less outstanding lodgements	
Susan Hands	880 (2)
Ann Cooke	<u>380 (2)</u> <u>1 260</u>
Balance per bank statement	4 855 (1)

(6 marks)

Task 10

Tammy Hill cash book							
		Cash £	Bank £			Cash £	Bank £
1 Jan	Capital		5 600	1 Jan	Rent		500
3 Jan	Sales		800	1 Jan	Purchases		740
4 Jan	Sales	160		1 Jan	Purchases		2 120
4 Jan	Bank	350		4 Jan	Cash		350
5 Jan	Sales			5 Jan	Rent	120	
		—	<u>285</u>	6 Jan	Balance c/d	<u>390</u> (1)	<u>2 975</u> (1)
		<u>510</u>	<u>6 685</u>			<u>510</u>	<u>6 685</u>
7 Jan	Balance b/d (1)*	390	2 975				

(3 marks)

Capital account					
Date	Details	Amount	Date	Details	Amount
			1 Jan	Bank	5 600 (1)

(1 mark)

Sales account					
Date	Details	Amount	Date	Details	Amount
			3 Jan	Bank	800 (1)
			4 Jan	Cash	160 (1)
6 Jan	Balance c/d	<u>1 245</u>	5 Jan	Bank	<u>285</u> (1)
		<u>1 245</u>			<u>1 245</u>
			7 Jan	Balance b/d	1 245 (1)*

(4 marks)

Rent account					
Date	Details	Amount	Date	Details	Amount
1 Jan	Bank	500 (1)			
5 Jan	Cash	<u>120</u> (1)	6 Jan	Balance c/d	<u>620</u>
		<u>620</u>			<u>620</u>
7 Jan	Balance b/d	620 (1)			

(3 marks)

Purchases account					
Date	Details	Amount	Date	Details	Amount
1 Jan	Bank	740 (1)			
1 Jan	Bank	<u>2 120</u> (1)	6 Jan	Balance c/d	<u>2 860</u>
		<u>2 860</u>			<u>2 860</u>
7 Jan	Balance b/d	2 860 (1)			

(3 marks)

Tammy Hill trial balance as at 6 January		
	Dr	Cr
Cash	390 (1)*	
Bank	2 975 (1)*	
Capital		5 600 (1)
Sales		1 245 (1)*
Rent	620 (1)*	
Purchases	2 860 (1)*	
	<u>6 845</u>	<u>6 845</u>

(6 marks)

(Total 20 marks)

2 Level 1 Sample Assessment Material

2.3 Worked Question Paper

The following sample worked paper is designed to reflect what a candidate might produce under examination conditions. Some of the answers and approaches taken are incorrect and not in line with the sample marking scheme; this is to indicate how the paper of a typical candidate might be assessed. These answers and approaches do, however, reflect what examiners see in the work of candidates.

The marks indicated are justified and explained in the same way that tutors would provide feedback to students.

Points which can be learnt from this analysis of the assessment are included in a later section on tips, guidance and recommendations to prepare candidates to pass their examination.

Task 1

Invoice 223: £382.38 (6 marks)

Invoice 225: £458.58 (no marks)

(6 marks have been awarded for Task 1)

This candidate has chosen to ignore advice about showing workings. For invoice number 223 the candidate produced the correct answer therefore full marks are awarded. However for invoice number 225 no marks are awarded because the answer is incorrect and it is impossible to award any marks and credit candidate workings.

Task 2

Walls Windows Sales day book					
Date	Customer	Invoice No	Total	Sales tax	Net
16 Jan	Tiller & Co	219	218 50 (1)	28 50	190 00 (1)
16 Jan	Mavis & Co	220	409 69 (1)	53 44	356 25 (1)
17 Jan	Peters & Co	221	327 75 (1)	42 75	258 00
17 Jan	Tiller & Co	222	218 50 (1)	28 50	190 00 (1)
18 Jan			1174 44 (1)	153 19 (1)	994 25 (1)*

(10 marks have been awarded for Task 2)

A good answer. The candidate has completed the sales day book but made one error for invoice number 221 by transposing the 'net' amount. One mark is lost; however because the candidate has then used this amount when totalling the day book, an 'own figure' mark is awarded since the remaining entries are correct. It should be pointed out however that had the candidate cross totalled; an error would have been discovered.

Note: In the examination candidates may be faced with credit notes instead of invoices. The task will be similar as shown below with further scope for checking accuracy of credit notes and posting to personal accounts.

Example:

Scenario

You work as an office trainee in the accounts department of Sue Shaw, a seller of computers and computer components to the retail trade. Your work is varied and today there are a number of tasks for you to complete. **Today's date is 28 May.**

Task 2

Some credit notes received that your supervisor confirmed as being correct are detailed below.

Enter the credit notes into the purchase returns (returns outwards) day book below, totalling the purchase returns day book as at 28 May.

CREDIT NOTE			CREDIT NOTE		
COLIN HARD-DRIVES BIG LANE MIDDLETOWN			JAMES'S COMPUTERS PIKE STREET BRADFELD		
Sue Shaw	CR No 413		Sue Shaw	CR No 708	
Rain Road	Date:26 May		Rain Road	Date: 27 May	
Halifax			Halifax		
	£			£	
1 x drive @ £84 each		84 00	1 cable @ £110 each		110 00
Less 5% trade discount		4 20	Less 5% trade discount		5 50
Add sales tax @12%		<u>9 58</u>	Add sales tax @12%		<u>12 54</u>
Total		<u>89 38</u>	Total		<u>117 04</u>
Terms 30 days net			Terms 30 days net		

Sue Shaw - Purchases Returns Day Book					
Date	Supplier	Credit No	Total £	Sales tax £	Net £
26 May	Colin Hard-Drives	413	89 38	9 58	79 80
27 May	James's Computers	708	<u>117 04</u>	<u>12 54</u>	<u>104 50</u>
28 May			<u>206 42</u>	<u>22 12</u>	<u>184 30</u>

Transfer the purchases returns day book totals to the ledger accounts below.

Purchases Returns Account					
Date	Details	Amount £	Date	Details	Amount £
			28 May	Purchase returns day book	184.30

Sales Tax Account					
Date	Details	Amount £	Date	Details	Amount £
			28 May	Purchase returns day book	22.12

Task 3

Sales account					
Date	Details	Amount	Date	Details	Amount
			18 Jan	Sales daybook	994 25 (1)*

(1 mark)

Because of the error in task 2, when the total is transferred to the sales account the own figure mark is awarded.

Sales Tax account					
Date	Details	Amount	Date	Details	Amount
			18 Jan	Sales daybook	153.19 (2)

(2 marks)

(A total of **3 marks** have been awarded for Task 3)

Both marks are awarded; the correct total has been transferred from the sales daybook.

Task 4

Tiller & Co account					
Date	Details	Amount	Date	Details	Amount
16 Jan	Sales	218 50 (1)			
17 Jan	Sales	<u>218 50</u> (1)		Balance c/d	<u>437 00</u>
		<u>437 00</u>			<u>437 00</u>
20 Jan	Balance b/d	437 00 (1)			

(3 marks have been awarded for Task 4)

No marks are awarded for the balance carried down because the date of this entry has been omitted by the candidate. Three marks are awarded in total.

Task 5

Petty cash book									
Receipts	Date	Details	Voucher No.	Total	Tax	Postage	Travel	Stationery	
100.00	6 Jan	Cash							
	7 Jan	Postage stamps	01	5.00	Nil	5.00			
	9 Jan	Plain paper	02	3.45	0.45			3.00	
	9 Jan	Taxi Fare	03	14.95	1.95		13.00		
	10 Jan	Receipt book	04	12.65	1.65			11.00	
	11 Jan	Parcel postage	05	3.25	Nil	3.25			
	11 Jan	Train fares	07	11.67	1.52		10.15		
	12 Jan	Envelopes	08	4.89	0.64			4.25	
	12 Jan	Airmail postage	09	3.15	Nil	3.15			
	13 Jan	Postage stamps	10	5.10	Nil	5.10			(1) for line
	13 Jan	Tax	11	<u>3.74</u>	<u>0.49</u>	_____	_____	<u>3.25</u>	
				67.85 (1)	<u>6.70</u>	<u>16.50</u>	<u>23.15</u>	<u>21.50</u>	
_____	13 Jan	Balance c/d		<u>132.15</u> (2)					
<u>200.00</u>				<u>200.00</u>		(1)			
132.15	14 Jan	Balance b/d (1)							
67.85	14 Jan	Cash (2)							

(8 marks have been awarded for Task 5)

This task indicates that the first entry should be 'balance' rather than cash because the opening figure already existed. It was not created by a transfer of funds and so no mark is awarded. The opening balance is also incorrect.

A mark has been lost for petty cash voucher 11; here it appears that the candidate has perhaps misread that the voucher represents plain paper and not the tax element of the transaction. A mark has been awarded for the correct totalling of the 4 analysis columns.

The candidate has completed the totalling, balancing and restoration of the imprest well. A mark has been awarded or the correct totalling of the four analysis columns.

Task 6

Glass is Us £977.50 (3)

(3 marks)

3 marks are awarded because, despite not showing workings, the candidate has produced the correct answer.

Easyclean £1 051-50

(0 marks)

No marks are awarded. As on task 1 the candidate has not shown any workings and the answer is wrong. Credit can only be awarded for incorrect answers when there are workings to build up the final answer. This is a pity because it would appear that a minor error of calculation may have been made. Without workings however this cannot be verified.

(A total of **3 marks** have been awarded for Task 6)

Task 7

Lancashire Bank plc		85-70-42
Preston (770011) Branch Preston PNE2		Date 19 January (1)
Pay Easy Clean (1)	A/C Payee	
One Thousand		and fifty pounds
fifty pence (1)*		
		£1 050-50 (1)*
		Walls Windows
221123	85 70 42	98733112

(4 marks have been awarded for Task 7)

Full marks are awarded for the cheque completion. The candidate has referred back to the scenario to enter the correct date for the cheque and the payee is correct. Despite not calculating the correct total in task 6, the candidates own figures have been taken forward into this task and correctly entered: words and figures agree.

Task 8

Walls Windows Cash Book (Bank columns only)					
Date	Details	£	Date	Details	£
01 Jan	Balance b/d	3 200	01 Jan	Donald Mark	250
09 Jan	Sales	950	19 Jan	Asif Ahmed	375 (1)
15 Jan	Susan Hands	880	19 Jan	Bank charges	25 (1)
16 Jan	Ann Cooke	380	19 Jan	Susan Eve	475 (1)
19 Jan	Steve Lane	700 (1)	19 Jan	Cash	80 (1)
19 Jan	Rent refund	65 (1)			
19 Jan	Elaine Mack	<u>1 220</u> (1)	19 Jan	Balance c/d	<u>6 190</u> (1)*
		<u>7 395</u>			<u>7 395</u>
	Balance b/d	6 190			

(8 marks have been awarded for Task 8)

The candidate has omitted the telephone charges transaction when updating the cashbook and consequently arrives at a different bank balance amount. Nevertheless the candidate has proceeded to balance the cashbook following the correct procedure and so some credit is allowed.

Unfortunately when bringing down the balance the candidate omitted to enter the date.

Task 9

Walls Windows bank reconciliation statement as at 19 January:	
Balance per updated cashbook	6 190 (1)*
<u>Add unpresented cheques</u>	
Nil	
<u>Less outstanding lodgements</u>	<u>1 335</u>
Balance per bank statement	4 855 (1)

(2 marks have been awarded)

The bank reconciliation statement is acceptable if it begins with the adjusted cash book balance or the bank statement balance; marks are awarded for correct entries adding or subtracting items as appropriate. This statement is designed to indicate which items are outstanding; combining them as above is not very helpful to anyone looking at the statement later.

At its simplest level the candidate might simply have found the difference between the updated cash book balance and the bank statement balance which amounts to £1 335 and simply guessed that this amount was for outstanding lodgements.

It appears that the £1 335 comprises of the outstanding lodgements £880 and £380 plus the omitted item from the cash book of £75.

Task 10

Tammy Hill Cash Book							
		Cash £	Bank £			Cash £	Bank £
1 Jan	Capital		5 600	1 Jan	Rent		500
3 Jan	Sales		800	1 Jan	Purchases		740
4 Jan	Sales	160		1 Jan	Purchases		2 120
4 Jan	Bank	350		4 Jan	Cash		350
5 Jan	Sales			5 Jan	Rent	120	
			<u>285</u>	6 Jan	Balance c/d	<u>390</u> (1)	<u>2 975</u> (1)
		<u>510</u>	<u>6 685</u>			<u>510</u>	<u>6 685</u>
7 Jan	Balance b/d (1)*	390	2 975				

(3 marks)

Capital account					
Date	Details	Amount	Date	Details	Amount
			1 Jan	Bank	5 600(1)

(1 mark)

Sales account					
Date	Details	Amount	Date	Details	Amount
			3 Jan	Bank	800(1)
			4 Jan	Cash	160(1)
6 Jan	Balance c/d	<u>1 245</u>	5 Jan	Bank	<u>285(1)</u>
		<u>1 245</u>			<u>1 245</u>

(3 marks)

Rent account					
Date	Details	Amount	Date	Details	Amount
1 Jan	Bank	500 (1)			
5 Jan	Cash	<u>120 (1)</u>	6 Jan	Balance c/d	<u>620</u>
		<u>620</u>			<u>620</u>

(2 marks)

Purchases account					
Date	Details	Amount	Date	Details	Amount
1 Jan	Bank	740 (1)			
1 Jan	Bank	<u>2 120</u> (1)	6 Jan	Balance c/d	<u>2 860</u>
		<u>2 860</u>			<u>2 860</u>

(2 marks)

The cash book has been correctly balanced and the balances brought down; it is a pity that the candidate ignored instructions to bring down the balances of the ledger accounts as three marks available have been lost.

Tammy Hill trial balance as at 6 January				
	Dr		Cr	
Cash	390	(1)		
Bank	2 975	(1)		
Sales			1 245	(1)
Rent	620	(1)		
Purchases	2 860	(1)		
	<u>6 845</u>		<u>1 245</u>	

(5 marks)

(A total of **16 marks** have been awarded for Task 10)

Unfortunately the candidate has forgotten the capital account and so no mark can be awarded for it. The total of the credit side of the trial balance is incorrect but no marks have been given for this total so no marks are lost.

Perhaps the candidate has not had enough time to go back into their accounts to find the error. This emphasises the need to plan timings appropriately.

Note: In some examinations part of a task may be to post discounts from a three column cash book as follows.

Scenario

Natalie Amines, a friend of yours, has dropped off her accounting records from a couple of weeks ago. The cash book has not been balanced; she has not posted her cashbook to her ledger, nor completed her trial balance.

Balance Natalie Amines’s cash book at 7 May, bringing down the balances

Cashbook of Natalie Amines									
Date	Details	Discount £	Cash £	Bank £	Date	Details	Discount £	Cash £	Bank £
1 May	Balances b/d		50	2 050	2 May	Colin Wilson	10		190
2 May	Emily Robison	25		225	4 May	Martine Miles	30		1 070
					7 May	Colin Wilson	15		260

Post the cash book to the ledger accounts below, balancing all accounts containing more than one transaction.

Emily Robison account					
Date	Details	Amount £	Date	Details	Amount £
1 May	Balance b/d	250			

Discounts allowed account					
Date	Details	Amount £	Date	Details	Amount £

Colin Wilson account					
Date	Details	Amount £	Date	Details	Amount £
			1 May	Balance b/d	475

Overall the candidate has achieved 63 marks and has therefore gained a **Pass**.
This is made up as follows:

T1	T2	T3	T4	T5	T6	T7	T8	T9	T10	Total
6	10	3	3	8	3	4	8	2	16	63

Had the candidate shown their workings it is highly likely that a First Class Pass would have been achieved.

Because the candidate has been successful the examiner has no need to indicate any weaknesses. However the above shows that candidates may achieve success and still have weaknesses. These may need to be addressed when candidates move onto higher studies.

3 Level 2 Sample Assessment Material

3.1 Sample Question Paper

Book-keeping and Accounts

Level 2

8991-02-002
Sample paper 002

This paper must be returned with the candidate's work, otherwise the entry will be void and no result will be issued.



Candidate's name (**Block letters please**)

Centre no

Date

Time allowed: 2 hours
(plus 5 minutes reading time)

Note making is not allowed during reading time.

The marks allocated to each question are shown in brackets.

All answers must be written in ink.

Calculators may be used.

Show all your workings.

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name.

For examiner's use only

T1	T2	T3	T4	T5	T6	T7	Total
/10	/35	/10	/8	/8	/9	/20	/100

Task 2

Your next task is to complete the extended trial balance on the opposite page for the Asbury Dukes company. The initial trial balance is shown. A number of adjustments need to be made before this can be done and these are as follows:

- Closing stock was valued at cost - £5 500
- Provision for doubtful debts is to be 2% of debtors
- Wages and salaries is £425 accrued due
- Lighting and heating has been prepaid by £650
- Depreciation is to be provided for as follows:
 - Motor vehicles – 15% straight line (on cost) method
 - Machinery – 15% reducing (diminishing) balance method

- a) Complete the adjustments in the extended trial balance. (10 marks)
- b) Complete the profit and loss account in the extended trial balance. (11 marks)
- c) Complete the balance sheet in the extended trial balance. (14 marks)
- (Total 35 marks)

Extended Trial Balance		The Asbury Dukes Company				Year to 31 January			
Account	Trial balance		Adjustments		Profit & Loss		Balance Sheet		
	Dr £	Cr £	Dr £	Cr £	Dr £	Cr £	Dr £	Cr £	
Creditors		7 000							
Sales		97 400							
Purchases	30 600								
Cash at bank	3 350								
Debtors	11 600								
Provision for doubtful debts		328							
Machinery at cost	45 000								
Motor vehicles at cost	25 000								
Machinery – provision for depreciation		15 000							
Motor vehicles – provision for depreciation		5 000							
Lighting and heating	10 620								
Wages & salaries	31 270								
Bad debts	250								
Opening stock	5 000								
Capital		38 662							
Drawings	700								
Accruals									
Prepayments									
Closing stock									
Doubtful debts									
Depreciation – Machinery									
Depreciation – Motor vehicles									
Profit/ (loss)									
Totals	163 390	163 390							

Task 3

Next you have to complete some ledger accounts for Jimmy Plant Company in order to calculate the depreciation charges for the end of its financial year. The company has two fixed assets; the balances in these accounts at the start of their financial year was machinery £80 000 and motor vehicles £60 000.

The balances in the provision for depreciation accounts were as follows; Machinery £35 000 and motor vehicles £25 000.

The companies policy is to depreciate machinery using the reducing (diminishing) balance method at 12 % per annum and motor vehicles at 15% straight line (on cost) method.

Complete the four ledger accounts below for the end of the financial year (dates are not required) balancing the provision for depreciation accounts and bringing down the balances:

Machinery account			
Details	Amount £	Details	Amount £

(1 mark)

Provision for depreciation account – Machinery			
Details	Amount £	Details	Amount £

(4 marks)

Motor vehicles account			
Details	Amount £	Details	Amount £

(1 mark)

Provision for depreciation account – Motor vehicles			
Details	Amount £	Details	Amount £

(4 marks)

(Total 10 marks)

Task 4

The office junior who you are helping out has asked you whether certain items of expenditure are capital expenditure or revenue expenditure for the business of Miriam Bibi, a retail clothing shop.

Classify the expenditure below by placing a tick (✓) in the correct box for each item.

Item	Revenue expenditure	Capital expenditure
Wages of shop staff		
New shelving for clothing displays		
Coat hangers		
Carriage on boxes of shoes purchased		
Installing new tyre on delivery vehicle		
Repainting of shop front		
Carriage on deliveries made		
Printer ribbon for computer		

(8 marks)

Task 5

The Jimmy Plant Company have come back to you for some more help with their accounts, this time looking at their bad and doubtful debts. Their trade debtors control account has a balance of £125 000 before any bad debts have been written off. Two trade debtors, for £700 and £900 respectively, need to be written off.

Once this has been done you need to adjust the provision for doubtful debts account to be 2% of outstanding debtors. The balance on this account currently stands at £2 800.

Complete the ledger accounts below for the Jimmy Plant Company (dates are not required):

Trade debtors control account			
Details	Amount £	Details	Amount £

(3 marks)

Bad debts account			
Details	Amount £	Details	Amount £

(1 mark)

Provision for doubtful debts account			
Details	Amount £	Details	Amount £

(4 marks)

(Total 8 marks)

Task 6

Now you look at the accounts of Nunu Miah which need some adjustments making to them, before you can complete the trial balance. The adjustments are as follows:

- A prepayment of rates has been made amounting to £142.
- Nunu sublets part of his premises. The tenant has prepaid Nunu £185 of his rent in advance.
- Wages amounting to £272 have been accrued due.

Complete the accounts below to record the adjustments, showing clearly the amounts to be transferred to the profit and loss account and bring down the balances:

Rates account			
Details	Amount £	Details	Amount £
Balance b/d	1 456		

(3 marks)

Rent received account			
Details	Amount £	Details	Amount £
		Balance b/d	785

(3 marks)

Wages account			
Details	Amount £	Details	Amount £
Balance b/d	14 324		

(3 marks)

(Total 9 marks)

Task 7

Now you look at some sales ledger accounts which need reconciling with the control account. On 1 December the balances on Robert Page’s sales ledger were as follows:

	£	
S. Begum	2 155	dr
A. Ali	3 935	dr
A Evans	70	cr

During the month of December the following transactions took place:

	Cash sales	Credit sales	Sales returns	Payments on account	Discount allowed
	£	£	£	£	£
S. Begum	525	8 478	978	5 270	140
A. Ali	129	9 120	370	6 596	309
A. Evans	1 255	4 909	356	-	-

- a) Write up the sales ledger accounts for the month ended 31 December.
- b) Prepare the sales ledger control account for the month ended 31 December.
- c) Reconcile the control account balance with the ledger account balances.

S Begum account			
Details	Amount £	Details	Amount £

(4 marks)

A Ali account			
Details	Amount £	Details	Amount £

(4 marks)

A Evans account			
Details	Amount £	Details	Amount £

(2 marks)

Sales ledger control account			
Details	Amount £	Details	Amount £

(6 marks)

Reconciliation of ledger balances with control account balances

(4 marks)

(Total 20 marks)

3 Level 2 Sample Assessment Material

3.2 Sample Marking Scheme

Sample Paper 002

Task 1

Journal		
Details	Dr £	Cr £
Suspense account	400 (1)	
Motor vehicle account/ Disposal account		200 (1)
Discount received account		200 (1)
Wages account	400 (1)	
Suspense account		400 (1)
Sales account	420 (1)	
Suspense account		420 (1)
Motor vehicles account	6 000 (1)	
Drawings account		6 000 (1)
Suspense account	3 600 (1)	
Naila Anwar account		3 600 (1)

(10 marks)

Task 3

Machinery account			
Details	Amount £	Details	Amount £
Balance b/d	80 000 (1)		

(1 mark)

Provision for depreciation account - Machinery			
Details	Amount £	Details	Amount £
		Balance b/d	35 000 (1)
Balance c/d	<u>40 400</u> (1)	Profit and loss account	<u>5 400</u> (1)
	40 400		<u>40 400</u>
		Balance b/d	40 400 (1)*

(4 marks)

Motor vehicles account			
Details	Amount £	Details	Amount £
Balance b/d	60 000 (1)		

(1 mark)

Provision for depreciation account – Motor vehicles			
Details	Amount £	Details	Amount £
		Balance b/d	25 000 (1)
Balance c/d	<u>34 000</u> (1)	Profit and loss account	<u>9 000</u> (1)
	34 000		<u>34 000</u>
		Balance b/d	34 000 (1)*

(4 marks)

(Total 10 marks)

Task 4

Item	Revenue expenditure	Capital Expenditure
Wages of shop staff	√ (1)	
New shelving for clothing displays		√ (1)
Coat hangers	√ (1)	
Carriage on box of shoes purchases	√ (1)	
Installing new tyre on delivery vehicle	√ (1)	
Repainting of shop front	√ (1)	
Carriage on deliveries made	√ (1)	
Printer ribbon for computer	√ (1)	

(8 marks)

Task 5

Trade debtors control account			
Details	Amount £	Details	Amount £
Balance b/d	125 000	Bad debts account	1 600 (1)
	_____	Balance c/d	<u>123 400(1)</u>
	<u>125 000</u>		<u>125 000</u>
Balance b/d	123 400 (1)*		

(3 marks)

Bad debts account			
Details	Amount £	Details	Amount £
Trade debtors control account	1 600 (1)		

(1 mark)

Provision for doubtful debts account			
Details	Amount	Details	Amount
Profit and loss account	332 (1)	Balance b/d	2 800 (1)
Balance c/d	<u>2 468(1)</u>		_____
	<u>2 800</u>		<u>2 800</u>
		Balance b/d	2 468 (1)*

(4 marks)

(Total 8 marks)

Task 6

Rates account			
Details	Amount £	Details	Amount £
Balance b/d	1 456	Profit and loss account	1 314 (1)
	_____	Balance c/d	<u>142(1)</u>
	<u>1 456</u>		<u>1 456</u>
Balance b/d	142 (1)*		

(3 marks)

Rent received account			
Details	Amount £	Details	Amount £
Profit and loss account	600 (1)	Balance b/d	785
Balance c/d	<u>185(1)</u>		_____
	<u>785</u>		<u>785</u>
		Balance b/d	185 (1)*

(3 marks)

Wages account			
Details	Amount £	Details	Amount £
Balance b/d	14 324	Profit and loss account	14 596 (1)
Balance c/d	<u>272(1)</u>		<u> </u>
	<u>14 596</u>		<u>14 596</u>
		Balance b/d	272 (1)*

(3 marks)

(Total 9 marks)

Task 7

S Begum account			
Details	Amount £	Details	Amount £
Balance b/d	2 155	Sales returns account	978 (1)
Sales account	8 478 (1)	Bank account	5 270 (1)
		Discount allowed account	140 (1)
		Balance c/d	4 245
	<u>10 633</u>		<u>10 633</u>
Balance b/d	4 245		

(4 marks)

A Ali account			
Details	Amount £	Details	Amount £
Balance b/d	3 935	Sales returns account	370 (1)
Sales account	9 120 (1)	Bank account	6 596 (1)
		Discount allowed account	309 (1)
	<u> </u>	Balance c/d	<u>5 780</u>
	<u>13 055</u>		<u>13 055</u>
Balance b/d	5 780		

(4 marks)

A Evans account			
Details	Amount £	Details	Amount £
Sales account	4 909 (1)	Balance b/d	70
		Sales returns account	356 (1)
	<u> </u>	Balance c/d	<u>4 483</u>
	<u>4 909</u>		<u>4 909</u>
Balance b/d	4 483		

(2 marks)

Sales ledger control account			
Details	Amount £	Details	Amount £
Balance b/d	6 090	Balance b/d	70
Sales	22 507 (1)	Bank account	11 866 (1)
		Discount received account	449 (1)
	_____	Sales returns account	1 704 (1)
	<u>28 597</u>	Balance c/d	<u>14 508(2)</u>
			<u>28 597</u>
Balance b/d	14 508		

(6 marks)

Reconciliation of ledger balances with control account balances			
S Begum	4 245 (1)		
A Ali	5 780 (1)		
A Evans	<u>4 483(1)</u>	<u>14 508</u>	
Sales ledger control a/c	14 508 (1)*		

(4 marks)

(Total 20 marks)

3 Level 2 Sample Assessment Material

3.3 Worked Question Paper

The following sample worked paper is designed to reflect what a candidate might produce under examination conditions. Some of the answers and approaches taken are incorrect and not in line with the sample marking scheme; this is to indicate how the paper of a typical candidate might be assessed. These answers and approaches do, however, reflect what examiners see in the work of candidates.

The marks indicated are justified and explained in the same way that tutors would provide feedback to students.

Points which can be learnt from this analysis of the assessment are included in a later section on tips, guidance and recommendations to prepare candidates to pass their examination.

Task 1

Journal		
Details	Dr £	Cr £
Suspense account	400(1)	
Old motor vehicle account		200
Discount received account		200(1)
Wages account	400(1)	
Suspense account		400(1)
Sales account	420(1)	
Suspense account		420(1)
Motor vehicles account		6 000
Drawings account	6 000	
Suspense account	3 600(1)	
Naila Anwar account		3 600(1)

(8 marks have been awarded for Task 1)

This question is a thorough test of the candidates' ability to understand and apply double-entry principles. It is very useful to take each transaction in which there are errors and work through the following:

- **What should the double entry have been?**
- **What double entry has been made?**
- **What needs to be done to correct the error?**

It is often clearer to reverse the error first, and then make the correct entry.

In the above question the candidate has answered well, but has reversed a transaction and used the incorrect terminology in another. These are typical errors.

Task 2

Extended Trial Balance		The Asbury Dukes Company				Year to 31 January			
Account	Trial balance		Adjustments		Profit & Loss		Balance Sheet		
	Dr £	Cr £	Dr £	Cr £	Dr £	Cr £	Dr £	Cr £	
Creditors		7 000						7 000 (1)	
Sales		97 400				97 400 (1)			
Purchases	30 600				30 600 (1)				
Cash at bank	3 350						3 350 (1)		
Debtors	11 600						11 600 (1)		
Provision for doubtful debts		328	96(1)					232 (1)	
Machinery at cost	45 000						45 000 (1)		
Motor vehicles at cost	25 000						25 000 (1)		
Machinery – provision for depreciation		15 000		4 500 (1)				19 500 (1)	
Motor vehicles – provision for depreciation		5 000		3 750 (1)				8 750 (1)	
Lighting and heating	10 620		650		11 270				
Wages & salaries	31 270			425	30 845				
Bad debts	250				250 (1)				
Opening stock	5 000				5 000 (1)				
Capital		38 662						38 662 (1)	
Drawings	700						700 (1)		
Accruals			425				425		
Prepayments				650				650	
Closing stock			5 500	5 500	5 500			5 500	
Doubtful debts				96 (1)		96 (1)			
Depreciation – Machinery			4 500 (1)		4 500 (1)				
Depreciation – Motor vehicles			3 750 (1)		3 750 (1)				
Profit/ (loss)					5 781			5 781 (1)*	
Totals	163 390	163 390	14 921	14 921	97 496	97 496	86 075	86 075	

(24 marks have been awarded for Task 2)

Task 2 is a thorough test of the candidates' ability to understand where ledger balances are recorded in final accounts and how to incorporate end of year adjustments.

In the above example the candidate has made a good attempt. Unfortunately the candidate has confused the treatment of prepayments and accruals and reversed these adjustments. The results are incorrect expense account balances in the Profit and Loss account resulting in an incorrect net profit calculation. Further the accrual is treated as an asset and the prepayment as a liability in the balance sheet.

Also the closing stock balances are reversed and so no marks are awarded for these entries.

Nevertheless the remaining entries are correctly made and the candidate correctly transfers an own figure net profit into the balance sheet and so an own figure mark is awarded accordingly.

Task 3

Machinery account			
Details	Amount £	Details	Amount £
Balance b/d	80 000 (1)		

Provision for depreciation account - Machinery			
Details	Amount £	Details	Amount £
		Balance b/d	35 000 (1)
Balance c/d	<u>44 400</u>	Profit and loss account	<u>9 400</u>
	<u>44 400</u>		<u>44 400</u>
		Balance b/d	44 400 (1)*

Motor vehicles account			
Details	Amount £	Details	Amount £
Balance b/d	60 000 (1)		

Provision for depreciation account – Motor vehicles			
Details	Amount £	Details	Amount £
		Balance b/d	25 000 (1)
Balance c/d	<u>34 000(1)</u>	Profit and loss account	<u>9 000(1)</u>
	<u>34 000</u>		

(7 marks have been awarded for Task 3)

The candidate has entered the correct opening balances on the correct side of the ledger accounts and is off to a good start. However when calculating the depreciation for machinery the candidate incorrectly applies the straight line method. Thus no marks are awarded for the charge to the profit and loss accounts and this also invalidates the mark for the balance carried down.

However, for bringing down the balance, as instructed, an own figure mark is awarded.

The candidate has used the correct method of depreciation when depreciating the motor vehicles but has forgotten to bring down the balance and so has not been awarded the appropriate mark.

Task 4

Item	Revenue expenditure	Capital expenditure
Wages of shop staff	√ (1)	
New shelving for clothing displays		√ (1)
Coat hangers	√ (1)	
Carriage on box of shoes purchases		
Installing new tyre on delivery vehicle		
Repainting of shop front	√ (1)	
Carriage on deliveries made		
Printer ribbon for computer	√ (1)	

(5 marks have been awarded for Task 4)

The candidate has a reasonable understanding of this area but needs further study when considering finer aspects. Installing a new tyre is revenue as is carriage on deliveries made.

Possibly the candidate is confused about installation costs and costs incurred when bringing an asset to its location.

Task 5

Trade Debtors control account			
Details	Amount £	Details	Amount £
Balance b/d	125 000	Bad debts account	1 600 (1)
	_____	Balance b/d	<u>123 400(1)</u>
	<u>125 000</u>		<u>125 000</u>
Balance b/d	123 400 (1)*		

Bad debts account			
Details	Amount £	Details	Amount £
Trade debtors control account	1 600 (1)		

Provision for doubtful debts account			
Details	Amount £	Details	Amount £
Profit and loss account	332 (1)	Balance b/d	2 800 (1)
Balance c/d	<u>2 468(1)</u>		_____
	<u>2 800</u>		<u>2 800</u>
		Balance b/d	2 468 (1)*

(8 marks have been awarded for Task 5)

The candidate has answered this question well, demonstrating a good level understanding of ledger accounting. Opening balances are on the correct sides of the respective accounts and the bad debts have been written off as instructed.

Finally the candidate has balanced off the appropriate accounts, bringing down the balances.

Task 6

Rates account			
Details	Amount £	Details	Amount £
Balance b/d	1 456	Profit and loss account	1 598
Balance c/d	<u>142</u>		<u> </u>
	<u>1 598</u>		<u>1 598</u>
		Balance b/d	142(1)*

Rent received account			
Details	Amount £	Details	Amount £
		Balance b/d	785
		Profit and loss account	600
	<u> </u>	Balance c/d	<u>185</u>
	<u>1 570</u>		<u>1 570</u>
Balance b/d	185(1)*		

Wages account			
Details	Amount £	Details	Amount £
Balance b/d	14 324	Profit and loss account	14 052
	<u> </u>	Balance c/d	<u>272</u>
	<u>14 324</u>		<u>14 324</u>
Balance b/d	272(1)*		

(3 marks have been awarded for Task 6)

Ledger accounting for accruals and prepayments can give candidates some challenges and certainly have here. The candidate is uncertain how to deal with the prepaid income and treats the whole account as an expense account rather than a revenue account. Accordingly some entries are reversed and no marks can be awarded, apart from the own figure mark for the balance brought down.

Similarly the candidate has struggled with both the prepaid and accrued expense accounts and no marks are awarded, apart from the own figure marks for the balances brought down.

This is an area which candidates should be encouraged to practice.

Task 7

S Begum account			
Details	Amount £	Details	Amount £
Balance b/d	2 155	Sales returns account	978 (1)
Sales account	9 003	Payments on account	5 270
		Discount allowed account	140 (1)
	<u> </u>	Balance c/d	<u>4 770</u>
	<u>11 158</u>		<u>11 158</u>
Balance b/d	4 770		

A Ali account			
Details	Amount £	Details	Amount £
Balance b/d	3 935	Sales returns account	370 (1)
Sales account	9 249	Payments on account	6 596
		Discount allowed account	309 (1)
	<u> </u>	Balance c/d	<u>5 909</u>
	<u>13 184</u>		<u>13 184</u>
Balance b/d	5 909		

A Evans account			
Details	Amount £	Details	Amount £
Sales account	6 164	Balance b/d	70
		Sales returns account	356 (1)
	<u> </u>	Balance c/d	<u>5 738</u>
	<u>6 164</u>		<u>6 164</u>
Balance b/d	5 738		

Sales ledger control account			
Details	Amount £	Details	Amount £
Balance b/d	6 090	Balance b/d	70
Sales	24 416	Payments on account	11 866
		Discount received account	449 (1)
		Sales returns account	1 704 (1)
	<u> </u>	Balance c/d	<u>16 417</u>
	<u>30 506</u>		<u>30 506</u>
Balance b/d	16 417		

Reconciliation of ledger balances with control account balances		
S Begum	4 770	
A Ali	5 909	
A Evans	5 738	<u>16 417</u>
Sales ledger control a/c		16 417(1)*

(8 marks have been awarded for Task 7)

This question illustrates common problems seen by examiners. There is a lack of understanding of the use of control accounts. These are used to reconcile credit sales or purchases, so cash sales should not be included here. It is also not uncommon to see candidates use the terminology 'payments on account' rather than the correct account name ('cash' or 'bank'). At this level candidates should have sufficient knowledge to use appropriate terminology

It is pleasing to see the transactions recorded on the correct sides of the accounts above, gaining 9 marks for the candidate.

Overall the candidate has achieved 63 marks and has therefore gained a **Pass**.

This is made up as follows:

T1	T2	T3	T4	T5	T6	T7	Total
8	24	7	5	8	3	8	63

Because the candidate has been successful the examiner has no need to indicate any weaknesses. However the above shows that candidates may achieve success and still have weaknesses. These may need to be addressed when candidates move onto higher studies.

4 Level 3 Sample Assessment Material

4.1 Sample Question Paper

Accounting and Book-keeping

Level 3

8991-03-003

Sample paper 002

This paper must be returned with the candidate's work, otherwise the entry will be void and no result will be issued.



Candidate's name **(Block letters please)**

Centre no

Date

Time allowed: 2 hours 30 minutes
(plus 5 minutes reading time)

Note making is not allowed during reading time.

The marks allocated to each question are shown in brackets.

All answers must be written in ink.

Calculators may be used.

Show all your workings.

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name.

For examiner's use only

T1	T2	T3	T4	T5	T6	T7	T8	Total
/16	/9	/12	/10	/6	/12	/20	/15	/100

Scenario

You work as a trainee accountant with Frost, Lambert and Thompson Accountants and have a number of jobs to do in your in-tray today. All of these jobs need completing within the next few hours.

Task 1

Firstly, you look at some balances of Cooney and Naylor who are in partnership sharing profits and losses equally. The following list of balances is relevant to your first task, taken from their Trial Balance as at 31 January.

	Dr	Cr
	£	£
Gross Profit		80 000
Heating and lighting	650	
Rent received		1 800
Wages and salaries	15 500	
Vehicles at cost	18 000	
Fixtures at cost	15 000	
Provision for depreciation: vehicles		6 000
Provision for depreciation: fixtures		2 000
Cash	450	
Drawings: Cooney	13 000	
Naylor	8 000	
Current Accounts: Cooney		1 200
Naylor	200	
Capital Accounts: Cooney		80 000
Naylor		40 000

At 31 January the following information needs to be taken into account:

- £300 is still owed by a tenant who rents office space in the premises.
- £60 has been prepaid for heating and lighting.
- Wages and salaries of £520 are accrued due.
- Depreciation needs to be provided for on the following basis:
 - Vehicles at 20% straight line method
 - Fixtures at 20% reducing balance method.
- The partnership agreement provides for the following:
 - Interest on drawings is to be charged at 5% per annum.
 - Interest on capital is allowed at 3% per annum
 - Cooney is to receive a salary of £2 500

Task 2

Next you turn your attention to the message that the secretary of the Tigers Appreciation Society has left, which is reproduced below:

Telephone message

I'm trying to work out how much subscription income we should include in our income and expenditure account this year from our members.

At the start of the year we were owed £442 in subscriptions while at the same time £190 had been prepaid. The total subscription income we banked this year was £36 000 – this includes the amount we were owed. This amount also includes £195 prepaid towards next year.

We are still owed £228 from some members.

Can you have a look at this and e-mail me a Subscriptions account please?

Complete the Tigers Appreciation Society Subscriptions account.

Tigers Appreciation Society Subscriptions Account			
Details	£	Details	£

9 marks

Task 3

Your next task requires you to look at some figures that Alla Dudkova, who runs a business manufacturing clocks, has provided. The following balances were taken from her books at 31 August 2008:

	£
Stock at 1 September 2007	
- Finished goods	32 800
Rent and rates	30 000
Lighting and heating	28 800
Insurance	4 400
Water	2 800
Discount received	400
Discount allowed	200
Sales	840 750
Office equipment (cost £36 000)	24 000
Provision for bad debts	8 000
Debtors	180 000
Carriage outward	100
Office salaries	47 300

Alla has correctly completed her manufacturing account, which is detailed below but does not have time to complete her trading, profit and loss account.

Alla Dudkova Manufacturing Account for the year ended 31 August 2008		
	£	£
Opening stock of raw materials		48 500
Purchases	99 500	
Returns	<u>1 050</u>	<u>98 450</u>
		146 950
Closing stock		<u>22 950</u>
Raw materials consumed		124 000
Production wages		<u>47 500</u>
Prime cost		171 500
Factory overheads		
Factory supervision	35 000	
Rent & rates	27 840	
Lighting & heating	20 000	
Insurance	2 100	
Water	1 000	
Depreciation: workshop equipment	<u>45 000</u>	<u>130 940</u>
		302 440
Opening stock- work in progress	36 000	
Closing stock – work in progress	32 000	4 000
Production cost		306 440

Task 4

You now turn your attention to some accounting ratios of the Page Company that you prepared earlier which are detailed below:

Ratio	2007	2008
Gross profit margin	54.2 %	59.2%
Stock turnover	15 times	12 times
Return on Capital Employed	16.5%	21.5%
Current ratio	4.8:1	3:1
Quick (Acid-test) ratio	3.8:1	0.5:1

For each ratio, tick (✓) the box with most likely explanation for the years change for each of the ratios.

Gross profit margin	
An attempt to stimulate demand by cutting prices	<input type="checkbox"/>
An increase in prices passed on to customers	<input type="checkbox"/>
Stock turnover	
Faster selling product lines	<input type="checkbox"/>
Too much stock being held	<input type="checkbox"/>
Return on Capital employed	
Increase in net profit	<input type="checkbox"/>
Large increase in operating expenses	<input type="checkbox"/>
Current ratio	
Debtors are paying more quickly	<input type="checkbox"/>
Reduction in overall current assets held	<input type="checkbox"/>
Quick (acid test) ratio	
Too much money tied up in stocks	<input type="checkbox"/>
An increase in the Gross profit margin	<input type="checkbox"/>

10 marks

4 Level 3 Sample Assessment Material

4.2 Sample Marking Scheme

Sample Paper 002

Task 1

Cooney and Naylor Partnership Profit and Loss and Appropriation Account for the year ended 31 January			
	£		£
Gross profit			80 000
Rent received (1 800 (1) + 300 (1))			<u>2 100</u>
			82 100
<u>Less operating costs</u>			
Heating & lighting (650 (1) – 60 (1))	590		
Wages & salaries (15 500 (1) + 520 (1))	16 020		
Depreciation - vehicles	3 600 (1)		
Depreciation - fixture	<u>2 600</u> (1)		<u>22 810</u>
Net profit			59 290 (2) or (1)*
Interest on drawings: Cooney	650 (1)		
Naylor	<u>400</u> (1)		<u>1 050</u>
			60 340
Interest on capital : Cooney	2 400 (1)		
Naylor	1 200 (1)		<u>3 600</u>
			56 740
Salary: Cooney			<u>2 500</u> (1)
<u>Balance for appropriation</u>			54 240
Cooney } (1) for correct ratio	27 120 (1)		
Naylor }	<u>27 120</u> (1)		<u>54 240</u>

(18/2 = 9 marks)

Current Accounts					
Details	Cooney	Naylor	Details	Cooney	Naylor
	£	£		£	£
Balance b/d		200 (1)	Balance b/d	1 200 (1)	
Drawings	13 000 (1)	8 000 (1)	Int. on Capital	2 400 (1)	1 200 (1)
Int. on Drawings	650 (1)	400 (1)	Salary	2 500 (1)	
Balance c/d	<u>19 570</u> (1)*	<u>19 720</u> (1)*	Profit share	<u>27 120</u> (1)*	<u>27 120</u> (1)*
	<u>33 220</u>	<u>28 320</u>		<u>33 220</u>	<u>28 320</u>
			Balances b/d (1)	19 570	19 720

(14/2 = 7 marks)

Total = 16 marks

Task 2

Tigers Appreciation Society Subscriptions Account			
Details	£	Details	£
Balance b/d	442 (1)	Balance b/d	190 (1)
Income & Expenditure Account	35 781 (2) OR (1)*	Bank	36 000 (1)
Balance c/d	<u>195</u> (1)	Balance c/d	<u>228</u> (1)
	<u>36 418</u>		<u>36 418</u>
Balance b/d	228 (1)	Balance b/d	195 (1)

9 marks

Task 3

Alla Dudkova trading, profit and loss account for the year ended 31 August 2008			
Sales		840 750	(1)
<u>Less cost of sales</u>			
Opening stock of finished goods	32 800		(1)
Production cost	<u>306 440</u>		(1)
	339 240		
Closing stock of finished goods	14 000	<u>325 240</u>	(1)
Gross profit		515 510	(2) or (1)*
Discount received		400	(1)
<u>Less operating expenses</u>			
Rent and rates (30 000 + 4 800 x 20%)	6 960		(2)
Light and heat (28 800 + 1 200 x 1/3)	10 000		(2)
Insurance (4 400 – 1 600 x 1/4)	700		(2)
Water (2 800 – 800 x 50%)	1 000		(2)
Discount allowed	200		(1)
Depreciation of office equipment	4 800		(2)
Provision of doubtful debt	1 000		(2)
Carriage outward	100		(1)
Office salaries	47 300	72 060	
Net profit		443 850	(2) or (1)*

24/2 = 12 marks

Task 4

Gross profit margin	
An attempt to stimulate demand by cutting prices	
An increase in prices passed on to customers	√ (2)
Stock turnover	
Faster selling product lines	
Too much stock being held	√ (2)
Net profit margin	
Increase in net profit	√ (2)
Bigger increase in operating expenses	
Current ratio	
Debtors are paying more quickly	
Reduction in overall current assets held	√ (2)
Quick (acid test) ratio	
Too much money tied up in stocks	√ (2)
An increase in the Gross profit margin	

10 marks

NB If both boxes are ticked – no marks awarded

Task 5

Beatrice Ltd Profit & loss appropriation account for the year ended 31 January		
	£	£
Net profit before taxation		72 600 (1)
Less taxation		<u>11 200</u> (1)
Net profit after taxation		61 400 (1)
P & L a/c bal b/fwd		<u>95 400</u> (1)
		156 800 (1)
Transfer to reserves		
General reserve		14 520 (1)
Proposed dividends		
8% Preference dividend	6 400 (2)	
7% Ordinary dividend	18 200 (2)	<u>24 600</u>
P & L a/c bal c/fwd		<u>117 680</u> (2) or (1)*

12/2 = 6 marks

Task 6

Beatrice Ltd balance sheet as at 31 January				
Capital and reserves/Financed by (1)	£		£	
<u>Authorised Share Capital (1)</u>				
100 000 8% preference shares of £1 each	100 000	(1)		
300 000 ordinary shares of £1 each	300 000	(1)	400 000	
<u>Issued Share Capital (1)</u>				
80 000 8% preference shares of £1 each	80 000	(1)		
260 000 ordinary shares of £1 each	260 000	(1)	340 000	
<u>Reserves</u>				
General Reserve	14 520	(1)		
P & L a/c Bal c/fwd	117 680	(2) or (1)*	132 200	
Shareholders funds			472 200	(2) or (1)*

12 marks

Task 7

Ingrid Kirkman statement of affairs as at 1 February 2007						
	Assets			Liabilities		
	£			£		
Bank	840	(1)		Creditors	1 640	(1)
Stock	5 240	(1)		Capital	11 600	
Debtors	4 000	(1)				
Rent and rates prepaid	70	(1)				
General expenses prepaid	50	(1)				
Cash	40	(1)				
Motor vehicles	<u>3 000</u>	(1)				
	<u>13 240</u>				<u>13 240</u>	

(8/2 = 4 marks)

NB: A statement of affairs is the only acceptable answer. Both vertical and horizontal are acceptable.

Ingrid Kirkman Cash account			
	£		£
Balance b/d	40	Bank	31 450 (1)
Sales/receipts from debtors	38 890 (1)	Wages	3 050 (1)
		General expenses	690 (1)
		Drawings	3 490 (2)
	<u> </u>	Balance c/d	<u>250</u>
	<u>38 930</u>		<u>38 930</u>

(6/2 = 3 marks)

Ingrid Kirkman Trading, Profit and Loss Account for the year ended 31 January 2008			
	£	£	
Sales (38 890 – 4 000 (1) + 3 790 (1))		38 680	
Less: Cost of sales			
Opening stock	5 240 (1)		
Purchases (15 400 – 1 640 (1) + 1 320 (1))	<u>15 080</u>		
	20 320		
Less closing stock	<u>5 650</u> (1)	<u>14 670</u>	
Gross profit		24 010 (1)*	
Less: Operating expenses			
Rent and rates (4 245 + 70 (1) + 80 (1))	4 395		
General expenses (6 400+50 (1) + 120 (1) + 690 (1))	7 260		
Wages	3 050 (1)		
Depreciation of motor vehicles	1 000 (1)	<u>15 705</u>	
Net Profit		<u>8 305</u> (2) or (1)*	

(16/2 = 8 marks)

Ingrid Kirkman Balance Sheet as at 31 January 2008

	£	£	£
Fixed Assets			
Motor vehicles			2 000 (1)
Current Assets			
Stock		5 650	
Debtors		3 790	
Cash		<u>250</u>	
		9 690 (1)	
Current Liabilities			
Creditors	1 320		
Accruals (80(1) + 120(1))	200		
Bank overdraft	<u>3 455 (1)</u>	<u>4 975</u>	
Working capital			<u>4 715 (1)</u>
Net assets			<u>6 715</u>
 <u>Financed by:</u>			
Capital		11 600	
Add: net profit		8 305 (1)*	
		19 905	
Less: drawings (9 700(1) + 3 490 (1))		<u>13 190</u>	<u>6 715 (1)</u>

(10/2 = 5 marks)
Total 20 marks

Task 8

Plant Ltd balance sheet extract			
	£	£	£
Fixed assets	90 000	22 000	68 000 (1) for the line
Premises	<u>45 000</u>	<u>26 700</u>	<u>18 300</u> (1) for the line
Furniture and Fittings	<u>135 000</u>	<u>48 700</u>	86 300 (1) for the line
Current assets			
Stock		9 500 (1)	
Debtors	4 250 (1)		
Less bad debt provision	<u>900</u> (1)	3 350	
Cash at bank in hand		<u>7 400</u> (1)	
		20 250	
Creditors: Amounts falling due within one year			
Unpaid dividends	3 900 (1)		
Taxation due	2 550 (1)		
Trade creditors	<u>3 505</u> (1)	<u>9 955</u>	
Working capital (1)			<u>10 295</u> (2)
Net assets (1)			<u>96 595</u> (1)

Total 15 marks

4 Level 3 Sample Assessment Material

4.3 Worked Question Paper

The following sample worked paper is designed to reflect what a candidate might produce under examination conditions. Some of the answers and approaches taken are incorrect and not in line with the sample marking scheme; this is to indicate how the paper of a typical candidate might be assessed. These answers and approaches do, however, reflect what examiners see in the work of candidates.

The marks indicated are justified and explained in the same way that tutors would provide feedback to students.

Points which can be learnt from this analysis of the assessment are included in a later section on tips, guidance and recommendations to prepare candidates to pass their examination.

Task 1

Cooney and Naylor Partnership Profit and Loss and Appropriation Account for the year ended 31 January			
	£		£
Gross profit			80 000
Rent received			<u>1 800</u> (1)
			81 800
Less operating costs			
Heating & Lighting	590	(2)	
Wages & Salaries (15 500 (1) – 520)	14 980		
Depreciation – vehicles	3 600	(1)	
Depreciation – fixtures	<u>2 600</u>	(1)	<u>21 770</u>
Net profit			60 030 (1)*
Interest on drawings: Cooney	650	(1)	
Naylor	<u>400</u>	(1)	<u>1 050</u>
			61 080
Interest on capital: Cooney	2 400	(1)	
Naylor	1 200	(1)	<u>3 600</u>
			57 480
Salary: Cooney			<u>2 500</u> (1)
Balance for appropriation			54 980
Cooney	27 490	}	
Naylor	<u>27 490</u>		
			<u>54 240</u>

(13/2 = 6 ½ marks)

Here the candidate has omitted the outstanding rent received entry and has mistreated the outstanding payment due for wages and salaries. However for the latter item, by showing workings it is clear how the final figure has been built up and so a partial mark can be awarded.

These mistakes impact on the net profit calculation and so only one mark can be awarded because the candidate has calculated an incorrect net profit figure arrived at in the right way.

If, however, Cooney's salary had been included in the operating costs in the Profit and Loss Account, the 'net profit' would be £57 530 (£60 030 – £2 500). This would gain any marks because the figure is arrived at in an incorrect way

The candidates own net profit calculation works its way through to the profit for appropriation and no marks are awarded with the exception for applying the correct sharing ratio to the incorrect profits.

Current Accounts					
Details	Cooney	Naylor	Details	Cooney	Naylor
	£	£		£	£
Balance b/d		200 (1)	Balance b/d	1 200 (1)	
Drawings	13 000 (1)	8 000 (1)	Int. on Capital	2 400 (1)	1 200 (1)
Int. on Drawings	650 (1)	400 (1)	Salary	2 500 (1)	
Balance c/d	<u>19 940 (1)*</u>	<u>20 090 (1)*</u>	Profit share	<u>27 490 (1)*</u>	<u>27 490 (1)*</u>
	<u>33 590</u>	<u>28 690</u>		<u>33 590</u>	<u>28 690</u>
			Balances b/d (1)	19 940	20 090

(14/2 = 7 marks)

(13 ½ marks have been awarded for Task 1)

It is not unusual to see candidates who have put the interest on drawings and capital on the incorrect side in the Appropriation Account actually post the entries to the correct sides of the current accounts. This may not be consistent but the approach would be correct in the current accounts so to avoid penalising the candidate twice, the examiner would award the marks in the current accounts.

Despite the earlier errors in the Appropriation Account full marks are awarded for the current accounts because:

- the candidate has transferred the previously calculated incorrect profit share to the correct side of the current accounts and
- the final balances in the accounts have been arrived at by using the correct transactions, although not the correct figures

Note that the inclusion of own figure marks from one examination to another differ slightly. These are arrived at following discussions between examiners who attempt to balance out the overall level of difficulty from one examination paper to another at the same Level. Hence, if there had been a less difficult calculation in the first part of the question, both closing balances of the current account may have been based on the correct figure rather than the own figure rule.

Task 2

Tigers Appreciation Society Subscriptions Account			
Details	£	Details	£
Balance b/d	190	Balance b/d	442
Income & Expenditure Account	36 285 (1)*	Bank	36 000 (1)
Balance c/d	<u>195</u> (1)	Balance c/d	<u>228</u> (1)
	<u>36 670</u>		<u>36 670</u>
Balance b/d	228 (1)	Balance b/d	195 (1)

(6 marks have been awarded for Task 2)

This illustrates common problems seen by examiners. There is a lack of understanding of how to record balances relating to accruals and prepayments in ledger accounts both for revenue and expenses accounts.

Here the candidate records the opening balances on the incorrect side of the subscriptions account. However the amount banked and the closing balances are recorded correctly.

Because the candidates own calculation has been correctly transferred to the Income and expenditure account an own figure mark has been awarded for the correct method.

Task 3

Alla Dudkova trading, profit and loss account for the year ended 31 August 2008		
Sales		840 750 (1)
<u>Less cost of sales</u>		
Opening stock of finished goods	32 800 (1)	
Production cost	<u>306 440 (1)</u>	
	339 240	
Closing stock of finished goods	<u>14 000 (1)</u>	<u>325 240</u>
Gross profit		515 510 (2)
Discounts received		400 (1)
<u>Less operating expenses</u>		
Rent and rates	6 000	
Light and heat	9 600	
Insurance	1 100	
Water	2 000	
Discount allowed	200 (1)	
Depreciation of office equipment	7 200	
Provision for doubtful debts	1 000 (2)	
Office salaries	<u>47 300 (1)</u>	<u>74 400</u>
Net profit		441 510 (1)*

(12/2 = 6 marks have been awarded for Task 3)

Here we have a straightforward question which, approached logically, most candidates should be able to answer well. Some of the marks are straightforward; for example the marks in the trading account.

With this answer the candidate has not taken account of any accruals or prepayments when calculating the apportioned expenses that are shared with the manufacturing account. These figures are either right or wrong and so no marks are awarded. For the correct calculations please refer to the sample marking scheme.

The more able candidate will note that in the supplied manufacturing account the share of the apportioned expense accounts have already been calculated. Therefore, using the rent and rates account as an example, £27 840 has been written off to the manufacturing account. Given that the apportionment basis is 80% to 20%, £27 840 represents 80% of the total expenditure on rent and rates, the remaining 20% equals £6 960 and should be written off to the profit and loss account. This technique could be applied to the three remaining apportioned expense accounts.

The candidate has applied the straight line method of depreciation on the office equipment and no marks are awarded. The candidate has totally omitted the carriage outward account.

Finally the candidate applies the correct method and calculates the net profit based on their incorrect earlier calculations; an own figure mark is awarded for this.

Task 4

Gross profit margin	
An attempt to stimulate demand by cutting prices	√
An increase in prices passed on to customers	
Stock turnover	
Faster selling product lines	√
Too much stock being held	
Return on Capital employed	
Increase in net profit	√ (2)
Large increase in operating expenses	
Current ratio	
Debtors are paying more quickly	
Reduction in overall current assets held	√ (2)
Quick (acid test) ratio	
Too much money tied up in stocks	
An increase in the Gross profit margin	√

(4 marks have been awarded for Task 4)

The candidate needs to have an understanding of ratio analysis if this is to be more than just guess work.

With the gross profit margin it is highly unlikely that a price cut would lead to a % rise in profit. Similarly with a falling stock turnover ratio, stock is being sold at a slower rate than previously.

The candidate is correct in identifying that the increase in the Return on Capital employed ratio is due to a rise in net profit; on its own a large increase in operating expenses would reduce this ratio.

With the two liquidity ratios the candidate correctly identifies the most likely explanation for the current ratio; debtors paying more quickly would simply swap one current asset for another. However the candidate then fails to identify the explanation for the quick ratio, instead falling for the spurious option. When stripping out stock from the current ratio the acid stock ratio drops dramatically.

If the candidate was to tick both options no marks would be awarded.

Overall the candidate has underperformed on this question and has gained only 4 marks, largely because of the lack of ability to interpret the findings of a ratio analysis.

Task 5

Beatrice Ltd Profit & loss appropriation account for the year ended 31 January		
	£	£
Net profit before taxation		72 600 (1)
Less taxation		<u>11 200</u> (1)
Net profit after taxation		61 400 (1)
Transfer to reserves		
General reserve		14 520 (1)
Proposed dividends		
8% Preference dividend	8 000	
7% Ordinary dividend	<u>21 000</u>	<u>29 000</u>
P & L a/c bal c/fwd		17 880 (1)*

(5/2 = 2 ½ marks have been awarded for Task 5)

The candidate has made a number of errors often seen by examiners. Firstly the profit and loss account balance has not been brought forward into the appropriation account. Secondly the candidate has calculated the proposed dividends as a percentage of the authorised rather than the issued share capital.

Nevertheless the candidate has allowed for taxation, correctly calculated the net profit after tax and correctly calculated the amount to be transferred to general reserve.

After allowing for the above the candidate follows the correct method in arriving at the profit and loss account balance to carry forward and an own figure mark has been awarded.

Task 6

Beatrice Ltd balance sheet as at 31 January		
Capital and reserves (1)	£	£
Authorised Share Capital (1)		
Preference shares	100 000	
Ordinary shares	<u>300 000</u>	<u>400 000</u>
Issued Share Capital (1)		
Preference shares	80 000	
Ordinary shares	<u>260 000</u>	340 000
Reserves		
General Reserve	14 520 (1)	
P & L a/c Bal c/fwd (94 500 + 17 880)	<u>112 380 (1)*</u>	<u>126 900</u>
Shareholders funds		<u>466 900 (1)*</u>

(6 marks have been awarded for Task 6)

The brought forward profit and loss account balance has been included in the balance sheet where it is correctly added to the candidate's figure for profit for the financial year, which has earned a mark. Unfortunately, as noted above, it has been completely omitted from the profit and loss appropriation account.

A number of marks are lost for poor presentation. This answer gives a user of the accounts no idea of the preference share rate or the value of each preference and ordinary share. However the candidate does distinguish between the authorised and issued share capital and is rewarded for this. The candidate then follows the correct method in calculating the shareholders funds and is rewarded with an own figure mark.

Task 7

Ingrid Kirkman statement of affairs as at 1 February 2007			
Assets		Liabilities	
£		£	
Stock	5 240 (1)	Creditors	1 640 (1)
Debtors	4 000 (1)		
Rent and rates prepaid	70 (1)		
General expenses prepaid	50 (1)		
Cash	40 (1)		
Motor vehicles	<u>3 000</u> (1)	Capital	<u>10 760</u>
	<u>12 400</u>		<u>12 400</u>

(7/2 = 3 ½ marks)

In the statement of affairs to calculate the capital the candidate has omitted the bank account figure, concentrating purely on the list of assets and liabilities. It is important not to miss items such as this.

A statement of affairs in either vertical or horizontal format (with assets on the left and liabilities on the right) is acceptable.

Ingrid Kirkman Cash account			
	£		£
Balance b/d	40	Bank	31 450 (1)
Sales/receipts from debtors	38 890 (1)	Wages	3 050 (1)
		General expenses	690 (1)
		Drawings	3 490 (2)
	<u> </u>	Balance c/d	<u>250</u>
	<u>38 930</u>		<u>38 930</u>

(6/2 = 3 marks)

The cash account has been well answered; the candidate has used the information provided very well and correctly calculated the cash taken as additional drawings.

Ingrid Kirkman Trading, Profit and Loss Account for the year ended 31 January 2008		
	£	£
Sales (38 890 – 4 000 (1) + 3 790 (1))		38 680
Less: Cost of sales		
Opening stock	5 240 (1)	
Purchases (15 400–1 640 (1) +1 320 (1))	<u>15 080</u>	
	20 320	
Less closing stock	<u>5 650 (1)</u>	<u>14 670</u>
Gross profit		24 010 (1)
Less: Operating expenses		
Rent and rates (4 245 + 70 (1) + 80 (1))	4 395	
General expenses (6 400 + 50 (1) + 120 (1) + 690 (1))	7 260	
Wages	3 050 (1)	
Depreciation of motor vehicles	1 000 (1)	<u>15 705</u>
Net Profit		<u>8 305 (2)</u>

(16/2 = 8 marks)

The Trading, Profit and Loss account has been well answered and has gained full marks for gross and net profit. The candidate has shown full workings clearly which is an excellent technique.

Ingrid Kirkman Balance Sheet as at 31 January 2008			
<u>Fixed Assets</u>	£	£	£
Motor vehicles			2 000 (1)
<u>Current Assets</u>			
Stock		5 650	
Debtors		3 790	
Cash		250	
<u>Current Liabilities</u>			
Creditors	1 320		
Accruals (80 (1) + 120 (1))	200		
Bank overdraft	<u>3 455</u> (1)	<u>4 975</u>	
Working capital			<u>4 715</u> (1)
Net assets			<u>6 715</u>
<u>Financed by:</u>			
Capital		10 760	
Add: net profit		<u>8 305</u> (1)	
		19 065	
Less: drawings (9 700 (1) + 3 490 (1))		<u>13 190</u>	<u>5 875</u>

(8/2 = 4 marks)

(A total of **18 ½ marks** have been awarded for Task 7)

The Balance Sheet has also been well presented and the candidate has gained good marks. The examiner and marking scheme concentrates on the items requiring more thought as it is, or should be, a straightforward statement for candidates tackling Level 3.

In this instance, the Balance Sheet does not balance as the opening capital is incorrect. The basic drawings figure has been posted from the bank account with the addition of drawings made in cash. Unfortunately the current assets have not been totalled. It is important to remember all items but, if time is short, including the initial aspects is likely to gain some reward.

Task 8

Plant Ltd Balance sheet extract			
Fixed assets	£	£	£
Premises	90 000	22 000	68 000 (1)
Furniture and Fittings	<u>45 000</u>	<u>26 700</u>	<u>18 300</u> (1)
	<u>135 000</u>	<u>48 700</u>	<u>86 300</u> (1)
Current assets			
Stock		9 500 (1)	
Debtors	4 250 (1)		
Less bad debt provision	900 (1)	3 350	
Cash at bank and in hand		<u>7 400</u> (1)	
		20 250	
Current liabilities			
Unpaid dividends	3 900 (1)		
Taxation due	2 550 (1)		
Trade creditors	<u>3 505</u> (1)	<u>9 955</u>	
Net current assets (1)			<u>10 295</u> (2)
Net assets (1)			<u>96 595</u> (1)

(15 marks have been awarded for Task 8)

The candidate has presented an excellent answer. In the current assets adjustment the candidates has used the term bad debt provision which is acceptable. Use of the term current liabilities is also acceptable as is term net current assets.

Overall the candidate has achieved 71 marks and has therefore gained a **Pass**.
This is made up as follows:

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Total
13 ½	6	6	4	2 ½	6	18 ½	15	71 ½

Because the candidate has been successful the examiner has no need to indicate any weaknesses. However the above shows that candidates may achieve success and still have weaknesses. These may need to be addressed when candidates move onto higher studies.

5 General Guidance

5.1 Guidance for Tutors

Preparing candidates for the examination

Technical ability and practice, practice, practice are the essentials for candidate success. Make good use of sample and past examination papers, past examination reports and other information from City & Guilds Qualifications. If you have any questions or queries, please contact us for clarification.

The best indicator that a candidate is ready for the exam is when candidates have covered all areas of the syllabus and can successfully complete past examination papers within the allowed time. Practice is essential so that candidates learn to recognise what is required of them and are able to reproduce it quickly and accurately.

Success in the examination results from demonstrating the relevant ability in the objectives that will be tested. Practice papers show candidates what is expected of them in an examination

Hints, tips and recommendations

Book-keeping and Accounts Levels 1, 2 and 3 provide a useful basis for any further studies and for work. As seen earlier in this document, City & Guilds Qualifications calls for a precise and disciplined approach in examinations. A firm foundation will be beneficial to candidates in whatever they decide to do next.

It is useful to explain the reasons for precision to candidates so that they understand the benefits of e.g. the rules of double entry, and why they need to follow them precisely.

Performance codes

It is a feature of City & Guilds examinations that weakness reports are provided for candidates who are unsuccessful in their examinations. Performance code should assist them in developing the principal area or areas of skill or knowledge where remedial work is needed. The areas covered will be found on the candidate's results slip, and are categorised as follows:

Performance Code	Meaning of Performance code
AA	Narrow Fail – Levels 1, 2 and 3
AB	Insufficient work – Levels 1, 2 and 3
GU	Checking documents and calculations – Level 1
GV	Daybook s– Level 1
GW	Ledger accounts – Levels 1 and 2
CL	Bank reconciliations – Level 1
CK	Petty cash – Level 1
GX	Initial trial balance – Level 1
GY	Control accounts – Level 2
GZ	Correction of errors – Level 2
HA	Capital and revenue expenditure – Level 2
HB	Depreciation – Level 2

HC	Year end adjustments – Level 2
HD	Extended trial balance – Level 2
HE	Partnerships – Level 3
HF	Companies – Level 3
HG	Not-for-profit organisations – Level 3
HH	Manufacturing organisations – Level 3
EM	Incomplete records – Level 3
EN	Interpretation – Level 3

The Performance Codes focus on specific questions in the examinations.

Typically codes X to Y will be given where a candidate scores less than half marks in a question. K is likely to be given where a candidate gains over half marks on the questions they have completed, but have not answered all parts of all questions.

Example – Level 1

Fail – Performance codes AA, GW, and GU

The candidate has scored between 55% and 59% (Pass – 60%). Petty cash, bank reconciliation and invoice calculations have been well or reasonably well answered. More work is needed to develop understanding of cash book and ledger preparation and in calculating settlement discounts.

Example – Level 2

Fail – Performance codes AB, HB, HC, and GY

The candidate has scored less than 55% (Pass – 60%). The use of the journal and suspense account, the extended trial balance and capital vs. revenue expenditure has all been well or reasonably well answered. The questions involving depreciation, bad and doubtful debts and control accounts, accruals and prepayments have not been completed successfully. In addition, the examiner judges that omission of work (say part or all of one or more questions) has been detrimental.

Example – Level 3

Fail – Performance code AA, EM, HH and EN

The candidate has scored between 55% and 59% (Pass – 60%). Questions on, say, partnership accounts, limited company accounts and non trading organisations have been well or reasonably well answered. More work is needed to develop understanding of the preparation of final accounts from incomplete records, manufacturing accounts and ratio analysis interpretation.

Why candidates fail

Candidates need to be made aware that there is a greater need to think about information in examinations and in dealing with it in appropriate ways as they progress through Levels.

Candidates who fail to practice during their course of study are those most likely to fail. Simply attending a course of study without further practice at home is not recommended for obvious reasons and candidates should expect to receive regular exercises to complete at home which should be marked and returned to the candidate.

Documents available on our website

Qualification handbook

FAQs

Sample Papers

Information Leaflets

5 General Guidance

5.2 Guidance for Candidates

Preparing for the examination

Technical ability and practice, practice, practice are the essentials for candidate success. Make good use of sample and past examination papers, past examination reports and other information from your tutors.

Hints, tips and recommendations

The purpose of this section is to:

- highlight areas where candidates may experience difficulties during their studies and to offer some ideas which may be helpful
- identify common problems in examinations which have limited the success of candidates in the past.

Some of the following points are technical, relating to book-keeping and accounts. Others focus on examination technique. Examination technique is the same as effectiveness and is important for the personal development of candidates. Knowledge by itself is insufficient if it cannot be applied in the best way at the right time. Certain aspects of the following are specifically related to Book-keeping and Accounts Level 1 and others to Level 2 and 3. Others are more generic.

Generic points

- Dates and narration in ledger accounts are important and need to be clear, for example:

		Wages account
		\$
7 Sept	Cashbook	24 000

The word 'Cashbook' here would not gain marks, the correct entry would be either 'Bank' or 'Cash'.

- As well as balances carried down, show balances brought down even if not specifically asked. This is good practice.
- Dates fix the time of transactions and, if given in questions, should be used in answers.
- Show workings in full. Note the effect on marks earned:

Without workings	
Subscriptions	£50 000
(Incorrect – nil marks)	

With workings	
Subscriptions (£40 000(1)+£6 000(1)+£7 000(1)	
- £3 000)	£50 000
Incorrect total, three correct elements within total – 3 marks	

- Presentation is very important in Accounting. Appropriate layouts and terminology are required for, say, company accounts when distinguishing between the authorised and issued share capital.

- Book-keeping and Accounting is the clear communication of financial information. Ensure answers are easily readable, well-presented, clear and organised.

Level 1

- When checking invoices for accuracy remember that a trade discount is deducted from the list price of an item before sales tax is added.
- On all questions involving settlement discounts the sales tax value will be based on the discounted amount even if the customer does not take the discount. If the discount is taken it is expected the candidate will recalculate the net and gross.
- When completing bank reconciliation statements, candidates often combine, for example two lodgements as a single total. These should be shown separately, the logic being that if the statement is re-examined at a later date, it is easy for the user of the accounts to see the complete position. A single total could simply be inserted as a balancing item without a candidate demonstrating understanding.
- Level 1 is the foundation of double-entry accounting. Ensure the amounts are correct and that date and details are precise and appropriate.

Level 2

- When preparing journal entries, ask the following questions:
 - what entries should have taken place?
 - what entries have been made?
 - what needs to be done to reverse the incorrect entries?
 - what needs to be done to record the transaction correctly?

It is easier to tackle the last two points separately, and is no less correct than combining them

- If required, narratives in journal entries need to be descriptive and should not simply identify the type of error that has been made.
- When completing an extended trial balance the account balances stay on the same side as they are in the original trial balance – a debit balance in the trial balance will be a debit balance either in the profit and loss account or in the balance sheet.
- When making adjustments in an extended trial balance 'net' the appropriate adjustment e.g.

Wages and salaries – debit balance of £600. Wages and salaries prepaid by £50 will be a credit in the adjustments leaving a net debit of £550.

- Ensure you know the difference between the straight line method and the reducing balance method of depreciation and can apply each.
- When calculating any doubtful debt provision, ensure that this is done after any bad debts have been written off.
- Questions concerning accruals and prepayments need to be approached with care. It is important to understand the difference between accrued income and accrued expenditure and ensure that ledger account preparation reflect these differences, and the same for prepayments.
- Control accounts are concerned purely with credit transactions and not cash sales or purchases. They are built up from totals in the books of original entry such as the sales day book, sales returns day book and cash book. The total of the control accounts are reconciled with the total of the relevant ledger. For example the purchase ledger control account total is reconciled against the total of the accounts in the purchases (creditors') ledger.

Level 3

- Ensure postings are correctly made in the Profit and Loss and Appropriation and other Accounts, for example:
 - Drawings are a debit entry in current accounts, NOT the Profit and Loss or Appropriation Account
 - Partnership salaries are included as debit entries in the Appropriation Account and credit entries in the current accounts, NOT in the Profit and Loss Account
 - Interest on drawings are credited in the Appropriation Account and debited in the current accounts
 - Interest on capital is debited in the Appropriation Account and credited in the current accounts.
- Manufacturing accounts are often well answered. However, candidates should ensure that factory supervision is not shown as part of prime cost. In addition, some candidates deduct indirect expenses in the manufacturing account from prime cost. Remember that the account comprises an accumulation of costs. Indirect costs should be added to direct costs. Sales, in addition, should not be included in the Manufacturing Account.
- Candidates who show their apportionment calculations for expenses between manufacturing and profit and loss accounts also improve their chances of success in manufacturing account questions.
- Incomplete records use similar skills as accounts of non-trading organisations. Use a simple statement of affairs to establish opening capital. Make use of ledger accounts for calculation. In addition, candidates should highlight relevant items and figures on the question paper to avoid missing items such as bank account balances.

Why candidates fail

- Candidates should be aware that there is a greater need to think about information in examinations and in dealing with it in appropriate ways as they progress through Levels. Practice during a course of study is excellent preparation and provides familiarisation with the various topics which could arise in the exam. It follows that candidates who fail to practice during their course of study are those most likely to fail.
- Simply attending a course of study without further practice at home is not recommended for obvious reasons and candidates should expect to commit twice as much study time at home compared to the tuition received in the classroom.
- Candidates fail because they have insufficient practice in the appropriate types of questions; candidates with the appropriate skills and with adequate practice are able to perform well.

Appendix 1 Templates

Level 1

(Name) Sales day book					
Date	Customer	Invoice No	Total	Sales tax	Net

Sales account					
Date	Details	Amount	Date	Details	Amount

Sales Tax account					
Date	Details	Amount	Date	Details	Amount

(Name) account					
Date	Details	Amount	Date	Details	Amount

Lancashire Bank plc		85-70-42
Preston (770011) Branch Preston PNE2		Date _____
Pay		
_____	A/C Payee	_____
_____		_____
_____		_____
		<div style="border: 1px solid black; width: 100px; height: 30px; display: flex; align-items: center; justify-content: center;">£</div>
		(Name)
221123	85 70 42	98733112

(Name)					
Cash Book					
(Bank columns only)					
Date	Details	£	Date	Details	£

(Name) bank reconciliation statement as at (Date)
Balance per updated cashbook
<u>Add unrepresented cheques</u>
Nil
<u>Less outstanding lodgements</u>
Balance per bank statement

(Name) Cash Book							
		Cash £	Bank £			Cash £	Bank £

Capital account					
Date	Details	Amount	Date	Details	Amount

Sales account					
Date	Details	Amount	Date	Details	Amount

Rent account					
Date	Details	Amount	Date	Details	Amount

Purchases account					
Date	Details	Amount	Date	Details	Amount

(name) trial balance as at 6 January		
	Dr	Cr

Appendix 4

Recommended Reading and Resources

Reading lists

Title	Edition	Author	ISBN	Levels
Business Accounts	Third	David Cox	ISBN 978 1 872962 63 4	Levels 1-2
Accounting	-	Michael Fardon and David Cox	ISBN 978 1 872962 28 3	Levels 1-2
Book-keeping and Accounts	Sixth	Frank Wood and Sheila Robinson	ISBN 978 0 273685 48 7	Levels 1-3
Mastering Accounting skills	Third	Margaret Nicholson	ISBN 978 1 403992 70 3	Levels 1-2

Resources

A first course in book-keeping & Accounts level 1(CD)
A second course in book-keeping & Accounts level 2(CD)
A third course in Accounts & Book-keeping level 3 (CD)

Over 200 copyright free practical exercises on each CD specifically written to match the new course content. Available from Westie Education & Training website www.geocities.com/weandt/weandt.html

Websites

<http://www.examtutor.com/business/resources/studyroom/> (Level 3)

<http://www.bized.co.uk/learn/accounting/financial/index.htm> (Levels 1-3)

<http://www.tutor2u.net/> (Levels 2-3)

This page is intentionally blank

Published by City & Guilds
1 Giltspur Street
London
EC1A 9DD
T +44 (0)20 7294 2468
F +44 (0)20 7294 2400
www.cityandguilds.com

City & Guilds is a registered charity
established to promote education and
training