

# Computerised Accounts Level 3

8989-03-003  
Sample Paper 2012

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



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

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**Centre no**

**Date**

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**Time allowed:** 2 hours 30 minutes, plus 5 minutes reading time (excluding printing time)

No note making or keyboard/computer operation is allowed during the reading time.

You must attempt all the tasks in the order given.

You should read through the materials carefully before you begin.

You may print **one draft** copy of each required printout of work during the examination period but must submit a **final printout only** for assessment.

## For examiner's use only

Printouts	Updating	Batch totals

## Instructions to Candidates

Your name is Debbie Alsop and you have recently been employed as Assistant Accountant for Hope Furnishings, a company specialising in the manufacture of furniture. The company's financial year-end is 31 December and their address is Unit 6, City Estate, Cambridge, CB5 4DH.

Your new position involves responsibility for updating the company records and producing draft financial accounts.

Today is 31 August and this is the first month-end in your new position. You find a file that contains a printed hard copy of all the data that is already entered onto the system and a statement of the company's accounting policies as follows.

### Balances at 30 August.

Nom Code	Name	Dr (£)	Cr (£)
0020	Plant & Machinery Cost	88 140.00	
0021	Plant & Machinery Depreciation		58 540.00
1001	Stock	42 100.00	
1100	Debtors Control Account	34 044.72	
1101	Bad Debt Provision	0.00	0.00
1103	Prepayments	6 950.00	
1200	Bank Current Account	17 390.97	
1230	Cash Account	217.04	
2100	Creditors Control Account		16 357.52
2109	Accruals		1 840.00
2200	Sales Tax Control Account		4 260.63
2201	Purchase Tax Control Account	2 200.76	
2202	Sales & Purchase Tax Liability		4 835.66
3000	Capital		60 000.00
3200	Profit and Loss Account		13 554.62
4000	Sales Tables		46 534.23
4001	Sales Settees		19 292.56
4002	Sales Chairs		13 294.57
4003	Sales Bookcases		23 576.91
4004	Sales Suites		37 553.11
4005	Sales Miscellaneous		18 588.52
4009	Discounts Allowed	2 427.44	
4200	Sale of Assets	550.00	
5000	Purchases Timber	38 699.38	
5001	Purchases Fabrics	12 929.65	
5002	Purchases Miscellaneous	16 116.10	
5009	Discounts Taken		1 923.86
5100	Carriage Inwards	102.84	
5200	Opening Stock	38 560.00	
5201	Closing Stock		42 100.00
7850	Rent & Rates	21 340.00	
7851	Motor & Travel	5 572.06	
7852	Trade Show Costs	6 850.00	
7853	Advertising	4 004.86	
7854	Office Costs	12 374.20	
7855	Workshop Costs	9 373.12	
8000	Depreciation	2 120.00	
8100	Bad Debt Write Off	189.05	
8102	Bad Debt Provision	0.00	0.00
		<b>362 252.19</b>	<b>362 252.19</b>

## Customer data

A/C No	Name	Address	Contact Name	Contact No	Credit Limit	Terms
A290	Appleyard & Co	Shop Unit 2 Capital Parade Luton LU1 3RC	Gill Fox	01582 272360	£15 000	30 days net
B272	Bison Yates Ltd	Archway Rd Highbury Gtr London N5 7JV	Brian Yates	0207 815 4428	£16 000	30 days net
D244	Dawson Group	Sphere House Anchor Street Basildon SS14 6HV	Frank Collins	01268 545837	£50 000	5% discount for 30 day settlement
H283	Hale Interiors	22 Church Street Coalville Leicestershire LE67 2LM	Salim Mushtaq	01530 626820	£12 000	30 days net
P226	Perry Factors	Unit 25 Stroud Trading Park Gloucester GL2 8FN	Jo Spiers	01452 337100	£8 000	30 days net
R206	Rudyard Furniture	16 High Street Beverley East Yorkshire HU17 4XB	Diane McBain	01482 883828	£10 000	30 days net
W237	Walsh Bates Ltd	6 Marton Way Rugby Warwickshire CV21 3LH	Dave Cook	01788 604499	£16 000	30 days net
W239	Wells UK plc	Roots House Stone Road Woking GU22 9GB	Sue Cohen	01486 527000	£10 000	30 days net

## Supplier Data

A/C No	Name	Address	Contact Name	Contact No	Credit Limit	Terms
2180	PB Fillings plc	Northern Works Berry Street Nelson BB9 3AY	John Richards	01282 350096	£12 000	30 days net
2196	Hessle Timber	Batton Works Ring Road Hull HU7 6CE	Ian Lawrie	01482 507110	£30 000	5% discount for 30 day settlement
2204	Fox Hardware Ltd	Unit 33 Estate Road 8 Long Eaton NG10 7FR	Jim Watson	01159 483822	£5 000	30 days net
2218	Tindall Supplies	26 Kirk Row Basingstoke Hampshire RG21 3YK	Sue Carter	01256 272750	£8 000	30 days net
2232	Anders & Barr Ltd	Jesmond Way South Shields Tyne and Wear NE33 5XB	Laura Field	01914 370118	£9 000	30 days net
2241	Bison Yates Ltd	Archway Rd Highbury Gtr London N5 7JV	Brian Yates	0207 815 4428	£15 000	30 days net

## Statement of Accounting Policies

1. It is company policy to depreciate all fixed assets at 15% per annum using the reducing-balance method of depreciation. Depreciation should be charged on a month-by-month basis. A full month's depreciation should be charged in the month of purchase, but no depreciation should be charged in the month of sale. If required, the depreciation charge should be **rounded up** to the nearest whole £.
2. At the end of each month, it is company policy to close off the Sales Tax Control Account and Purchase Tax Control Account by transfer to the Sales & Purchase Tax Liability Account.
3. The balance of Nominal Ledger Account 5200, Opening Stock, will represent the stock on hand at 1 January and this should remain the same throughout the financial year.
4. The balance of Bad Debt Provisions, if required, should be **rounded up** to the nearest whole £.

You are required to carry out the following tasks.

**Note. The standard rate of tax is 20%.**

**All transactions must be entered using the year 2011.**

- The balances of stock, prepayments and accruals at the end of July have not yet been reversed. Using the information below, process the necessary entries to reverse these balances, date the entries 1 August and use the reference JREV8.

Nominal Code	Account Name	Amount £	Notes
1001	Stock	42 100.00	Closing stock at 31 July.
1103	Prepayments	6 750.00	Three months Rent paid in advance.
1103	Prepayments	200.00	Five months Motor & Travel paid in advance.
2109	Accruals	640.00	Electricity (Office Costs) accrued.
2109	Accruals	1 200.00	Trade Show Costs accrued.

- You are given the following bank statement and are asked to produce a bank reconciliation at 31 July, processing any adjustments that may be necessary.

<b>Midwest Bank plc</b>				
<b>Statement of Account as at 31 July</b>				
<b>Hope Furnishings - Account No 18026673.</b>				
Date	Details	Debit	Credit	Balance
24 Jul	Balance B/F			16 408.55
27 Jul	Credit		1 063.35	17 471.90
28 Jul	Credit		317.00	17 788.90
30 Jul	Cheque 628595	3 342.85		14 446.05
30 Jul	DD – Rent & Rates (no tax)	263.50		14 182.55
30 Jul	Cheque 628596	119.85		14 062.70
30 Jul	Credit transfer – Refund Office Costs (no tax)		162.00	14 224.70
31 Jul	Cheque 628594	916.33		13 308.37
31 Jul	Credit		4 175.25	17 483.62
31 Jul	Balance C/F			17 483.62

- You are given a batch of unprocessed purchase and sales invoices all of which have been duly authorised. Process the invoices through the relevant ledgers and complete the batch totals.

### Purchase (Supplier) Invoices

A/C No	Supplier	Inv Date	Inv Ref	Nominal Code	Net Cost £	Tax £	Gross Cost £
2180	PB Fillings plc	14 Aug	08/238	5001	1 275.75	255.15	1 530.90
2196	Hessle Timber	15 Aug	T37715	5000	1 459.53	277.31	1 736.84
2204	Fox Hardware Ltd	20 Aug	27726	5002	233.32	46.66	279.98
2232	Anders & Barr Ltd	20 Aug	8-1431	5000	1 004.80	200.96	1 205.76
2196	Hessle Timber	28 Aug	T37878	5000	2 174.69	413.19	2 587.88
<b>Batch Totals</b>							

## Sales (Customer) Invoices

A/C No	Customer	Inv Date	Inv Ref	Nominal Code	Net Cost £	Tax £	Gross Cost £
R206	Rudyard Furniture	19 Aug	28313	4003	300.60	60.12	360.72
W239	Wells UK plc	22 Aug	28314	4001	2 428.06	485.61	2 913.67
B272	Bison Yates Ltd	24 Aug	28315	4005	214.50	42.90	257.40
D244	Dawson Group	24 Aug	28316	4000	3 313.85	629.63	3 943.48
W239	Wells UK plc	27 Aug	28317	4000	1 705.80	341.16	2 046.96
P226	Perry Factors	29 Aug	28318	4002	821.11	164.22	985.33
<b>Batch Totals</b>							

- On 18 August, you sell a Bookcase to an employee and receive cash of £73.20 (including tax). Process this sale using reference STF42.
- On 20 August, you receive a cheque (Cheque No 515800) from BW Scrap for £50 (no tax). As you do not know what this refers to, process this receipt through the bank current account and post to the Suspense account.
- You scrap an item of Plant & Machinery. The item originally cost £3 440 and has been depreciated by £3 190 since being purchased. You are told that the cheque for £50 from BW Scrap was the sale proceeds on scrapping the item. Process the transaction using reference JNL62 and date 20 August.
- You have been asked to set up a new nominal ledger account "Sales Desks" using nominal code 4006.
- You are told that sales of desks were previously posted to Sales Tables. Transfer the sum of £8 464.50 from Sales Tables to Sales Desks, dating the transfer 23 August, using reference JNL63.
- You receive a credit note from PB Fillings plc for some Fabrics that were returned to them as damaged. The credit note (reference CN63), dated 24 August, was for £241.51 plus tax. Process this credit note through the records.
- You are asked to process the following three payments.

Method	Date	Ref	Nominal Code	Details	Amount £	Tax Details
Cheque	24 Aug	628598	7852	Trade Show Costs	800.00	No tax
Cash	25 Aug	CSH462	7855	Workshop Costs	78.96	Including tax
Cheque	25 Aug	628599	7853	Advertising	150.00	No tax

- On 26 August, you are asked to restore the Cash Account balance to £400 by processing a bank transfer. The reference for this transfer is 628600.
- You are handed the following four cheques received from customers and asked to process them through the company's records, ensuring that they are correctly allocated.

Date	Customer	Cheque No	Details	Amount (£)
25 Aug	Hale Interiors	300573	Inv 28289	942.30
25 Aug	Rudyard Furniture	024727	Inv 28294, 28299	2 486.00
28 Aug	Dawson Group	486616	Inv 28292 (Discount £84.70) Inv 28298 (Discount £141.76) Inv 28302 (Discount £160.55)	8 739.11
28 Aug	Wells UK plc	221854	Inv 28295, 28303	3 680.70

13. Your manager tells you that all invoices have now been processed for the month and he asks you to print off an aged creditors list dated 31 August and pay all amounts that are due to suppliers in accordance with their terms of trade.

You are told **not** to pay any amounts owing to Bison Yates Ltd as they have not yet settled the amount owing to you.

You are reminded that discount is to be taken off the amounts due to Hesse Timber as follows, inv T37306 of £202.63.

All cheques should be dated 31 August, must be allocated through the relevant accounts and you should print off remittance advices to send with all supplier cheques. The next available cheque number is 628601.

14. You are asked to process a payment to settle the Sales & Purchase Tax liability outstanding at the end of July, using the next available cheque number and date the transaction 31 August.

**Continued on next page**



15. Having completed all of the routine processing for August, you receive the following e-mail from Bilal Ahmed, your manager.

## Re: Management accounts

**From:** Bilal Ahmed  
**To:** Debbie Alsop  
**Date:** 31 August

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I would like you to complete the month-end management accounts for August and I detail below all of the information you will need. Where necessary, use reference JNL64 and date all adjustments 31 August.

- i. Closing stock at 31 August is valued at £39 240.
- ii. Please review the prepayments from the end of last month and make appropriate prepayments for Rent and Motor & Travel.
- iii. I would like you to adjust the accrual brought forward for Trade Show Costs to take account of the fact that we have now paid £800 on account. The accrual for electricity (Office Costs) should be increased by £400.
- iv. We have been told that Appleyard & Co have ceased trading. Please write off the full amount outstanding on their account.
- v. I would like you to create a provision for doubtful debts of 2% of the total customer accounts outstanding at 31 August after writing off the above amount.
- vi. You will need to provide for depreciation on the company's Plant & Machinery. You will find details of the method to be used in the statement of accounting policies.
- vii. Please read the company's accounting policies carefully to ensure that all requirements are met in respect of the Tax Control Accounts.

**Continued on next page**

16. Obtain the following printouts.

(Note – the tick checklist is for your benefit to ensure that you have provided all required printouts).

	Printout task	✓
i.	Prepare a trial balance at 31 August taking full account of all relevant issues and provide a printout.	
ii.	Provide a printout of the profit and loss account for the month ended 31 August.	
iii.	Provide a printout of the balance sheet at 31 August.	
iv.	Provide a printout of the following nominal ledger accounts only (to include account name, account reference, <b>all transactions</b> and the account balance) at 31 August. <ul style="list-style-type: none"> <li>• Bank Current Account</li> <li>• Cash Account</li> <li>• Sale of Fixed Assets</li> </ul>	
v.	Provide a printout of the customer day book for <b>August only</b> , showing only invoices processed in that month.	
vi.	Provide a printout of the summary audit trail for <b>August only</b> .	
vii.	Provide a printout of the Sales Ledger Report(s) at 31 August to include customer name, address, account reference number, <b>all transactions</b> and the account balance.	
viii.	Provide a printout of the Purchases Ledger Report(s) at 31 August to include supplier name, address, account reference number, <b>all transactions</b> and the account balance.	
ix.	Provide a printout of the bank reconciliation statement at 31 July prepared in task 2.	
x.	Provide the printout of all remittance advices produced for the supplier cheque payments in task 13.	
xi.	Provide the Aged Creditor printout used to calculate the supplier cheque payments in task 13.	

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**End of examination**