

THIS IS A NEW SPECIFICATION



ADVANCED SUBSIDIARY GCE

ACCOUNTING

Accounting Principles

RESOURCE BOOKLET

To be given to candidates at the start of the examination

F011/RB

Monday 18 January 2010

Afternoon

Duration: 1 hour



INSTRUCTIONS TO CANDIDATES

- The information required to answer questions 1–2 is contained within this Resource Booklet.
- Do not hand this Resource Booklet in at the end of the examination. It is not needed by the Examiner.

INFORMATION FOR CANDIDATES

- This document consists of **8** pages. Any blank pages are indicated.

- 1* At 30 November 2009 the following information was available from the books of Janet Peters, a sole trader.

	Dr £	Cr £
Sales		191 300
Sales returns	1 920	
Purchases	89 400	
Purchases returns		1 340
Carriage inwards	330	
Carriage outwards	620	
Discounts allowed	2 840	
Discounts received		1 730
Rent and rates	26 800	
Insurance	880	
Salaries	22 600	
Motor expenses	7 130	
General expenses	8 310	
Bad debts	210	
Provision for doubtful debts		260
Drawings	27 600	
Loan interest	500	
10% Loan		6 000
Motor vehicles	18 000	
Provision for depreciation of motor vehicles		7 200
Fixtures and fittings	15 600	
Provision for depreciation of fixtures and fittings		6 000
Stock at 1 December 2008	7 300	
Debtors	16 000	
Creditors		14 670
Bank	1 460	
Capital		19 000
	<u>247 500</u>	<u>247 500</u>

The following information is also available.

- (i) The closing stock as at 30 November 2009 was valued at £7 450.
- (ii) At 30 November 2009, rates owing amounted to £380 and insurance had been prepaid by £80.
- (iii) Salaries owing of £2 400 had not been paid as at 30 November 2009.
- (iv) The provision for doubtful debts is to be maintained at 1.5% of debtors.
- (v) Janet Peters had included her son's school fees of £1 600 in general expenses.
- (vi) The 10% loan is a five year loan to be repaid in full on 30 November 2012.
- (vii) A cheque for £100 relating to commission received had not yet been recorded in the books.
- (viii) All fixtures and fittings were bought on 1 December 2006 and are depreciated by the straight line method over a five year life. The estimated residual value is £600.
- (ix) Depreciation is to be provided on motor vehicles at 40% per annum by the reducing balance method.

REQUIRED

The Trading and Profit and Loss Account for Janet Peters for the year ended 30 November 2009
and the Balance Sheet as at 30 November 2009. **[45]**

2 The following information is available from the books of Paul Boxham.

	1 November 2008 £	31 October 2009 £
Wages	2 040 accrued	2 130 accrued
Insurance	130 accrued	610 prepaid
Rent received	1 490 prepaid	1 320 prepaid
Commission received	170 accrued	190 prepaid

During the year ended 31 October 2009 the following transactions took place.

	£
Wages paid	24 100
Insurance paid	1 400
Rent received	14 000
Commission received	2 020

All transactions are through the bank account.

Paul Boxham has arranged with his suppliers to receive a 20% trade discount and a 2% cash discount. The cash discount is for payments made within 14 days.

REQUIRED

(a) The following ledger accounts, for Paul Boxham, for the year ended 31 October 2009. Show the closing entries to the final accounts at the end of the year. Dates are not required.

- (i) Wages [4]
- (ii) Insurance [4]
- (iii) Rent Received [4]
- (iv) Commission Received [4]

(b) The Balance Sheet extract, for Paul Boxham, as at 31 October 2009 showing Current Assets and Current Liabilities. [4]

(c) On 1 March 2009 Paul Boxham received an invoice for stock with a list price of £2 000. The invoice was paid on 10 March 2009.

Calculate each of the following:

- (i) trade discount; [1]
 - (ii) cash discount; [1]
 - (iii) amount paid to the supplier. [1]
- (d) If the invoice had been paid on 6 April 2009 calculate the amount paid to the supplier. [1]
- (e)* Evaluate the usefulness of the double-entry system. [11]

Total marks [35]

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