

Computerised Accounts Level 3

8989-03-003
Sample Paper 3

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 (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 work during the examination period but must submit a **final printout only** after the examination has ended.

For examiner's use only

Printouts	New accounts	Updating	Batch totals

Instructions to Candidates

Your name is Sarah Clarke and you have recently been employed as Assistant Accountant for Gemprint Ltd. The company has been established for a number of years and specialises in general printing. The company's financial year-end is 31 December and their address is Blake House, Stansfield Way, Chelmsford, CM2 4AL.

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

Today is 31 May 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 30th May

Nom Code	Name	Dr (£)	Cr (£)
0020	Plant & Machinery Cost	74 260.00	
0021	Plant & Machinery Depreciation		16 180.00
1001	Stock	8 200.00	
1100	Debtors Control Account	79 417.32	
1103	Prepayments	1 330.00	
1200	Bank Current Account	33 753.12	
1230	Cash Account	186.32	
2100	Creditors Control Account		24 425.46
2109	Accruals		150.00
2200	Sales Tax Control Account		6 279.91
2201	Purchase Tax Control Account	960.33	
2202	Sales & Purchase Tax Liability		3 816.54
3000	Capital		50 000.00
3200	Profit and Loss Account		82 564.38
4000	Sales Magazine Contracts		164 267.18
4001	Sales Bespoke		12 008.86
4002	Sales Posters		45 796.84
4003	Sales Educational		8 861.12
4004	Sales Promotional Products		52 090.00
4005	Sales Tickets		25 268.70
4009	Discounts Allowed	4 571.56	
4200	Sale of Assets	0.00	0.00
5000	Purchases Paper & Inks	63 170.46	
5001	Purchases Typesetting	5 553.00	
5002	Purchases Consumables	1 135.32	
5009	Discounts Received		2 043.00
5100	Carriage Inwards	815.12	
5200	Opening Stock	6 800.00	
5201	Closing Stock		8 200.00
7850	Rent & Rates	6 320.00	
7851	Machine Maintenance	1 622.28	
7852	Wages & Staff Costs	76 276.54	
7853	Motor & Travel	23 710.43	
7854	Print Room Costs	85 563.66	
7855	Office Costs	13 560.03	
8000	Depreciation	15 360.00	
8100	Bad Debt Write Off	186.50	
9998	Suspense Account		800.00
	Totals	502 751.99	502 751.99

Customer data

A/C No	Name	Address	Contact Name	Contact No	Credit Limit	Terms
B188	Barnes & Clay Ltd	Unit 33 Priestgate Estate Manchester M41 2CS	Toni Sharpe	0161 793 4000	£10 000	30 days net
C103	Cave Grammar School	Bishop Way Hull East Yorkshire HU5 7EK	Ian Clowes	01482 550818	£15 000	30 days net
G027	P Galloway Ltd	Longford House Water Street York YO3 6WZ	Frank Dooley	01904 466300	£20 000	7 days net
G055	Garland Agency Ltd	42 Lowther Street Swanage Dorset BH19 6KH	Lyndsay Wilson	01929 224073	£5 000	30 days net
H152	Hall Print Group	Stirling Works Gray Street Greenock PA15 3RD	Jim Grant	0141 881 2370	£80 000	5% discount for 30 day settlement
H168	Harris Advertising	100 Avanti Way St Albans Hertfordshire AL2 4PM	Lisa Holmes	01727 446070	£10 000	30 days net
M026	Music Monthly	Chapel House Victoria Road Guildford GU1 4LA	Janet Green	01483 636351	£30 000	30 days net
S113	Stone Publishing	311 Avery Road Maidstone Kent ME15 9GL	Barbara Ware	01622 510886	£50 000	30 days net

Supplier Data

A/C No	Name	Address	Contact Name	Contact No	Credit Limit	Terms
1053	Perth Paper plc	Kelsey Works Boundary Way Perth PH3 4WB	Keith Rogers	01738 340027	£100 000	5% discount for 30 day settlement
1173	Harris Advertising	100 Avanti Way St Albans Hertfordshire AL2 4PM	Lisa Holmes	01727 446070	£10 000	30 days net
1195	G J Machinery Ltd	Unit 13 Newfold Park Orpington BR6 3DS	Julie Grant	01689 227263	£8 000	30 days net
1244	Devon Inks plc	Grange House Seaview Road Barnstable EX31 7HF	Sam Reynolds	01271 377240	£30 000	30 days net
1388	Proctor & Sons Ltd	9 Court Terrace Preston Lancashire PR1 4BR	Mike Mason	01772 885200	£3 000	30 days net
1402	B Z Typesetters	Castle House Brook Street London EC2A 6YC	Peter Charles	0207 982 8800	£20 000	30 days net

Statement of Accounting Policies

1. It is company policy to depreciate all fixed assets at 20% 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.
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.

You are required to carry out the following tasks.

- The following schedule details the balances of stock, accruals and prepayments at the end of April. You are told that these have not yet been reversed. Process the necessary entries to reverse these balances, date the entries 1 May and use the reference JR05.

Nominal Code	Account Name	Amount £	Notes
1001	Stock	8 200.00	Closing stock at 30 April
1103	Prepayments	130.00	Road Fund Licences – two months paid in advance at £65 per month (Motor & Travel)
1103	Prepayments	1 200.00	One month's rent paid in advance
2109	Accruals	150.00	Estimated accrual for Office Costs.

- You are given the following bank statement and are asked to produce a bank reconciliation at 30 April, processing any adjustments that may be necessary. Prior to commencement, print out the Nominal Ledger Bank Current Account (Account 1200) at 30 April.

Midwest Bank plc				
Statement of Account as at 30 April				
Gemprint Ltd - Account No 12341234				
Date	Details	Debit	Credit	Balance
22 April	Balance B/F			26 569.13
26 April	Credit		2 444.92	29 014.05
28 April	Cheque 055199	10 892.85		18 121.20
28 April	Credit		716.33	18 837.53
29 April	Direct Debit – Rates (no tax)	115.25		18 722.28
29 April	Direct Debit – Machine Maintenance (inc tax)	117.50		18 604.78
30 April	Credit		11 602.27	30 207.05
30 April	Balance C/F			30 207.05

- 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 £
1053	Perth Paper plc	24 May	B34055	5000	8 544.20	1 420.47	9 964.67
1388	Proctor & Sons Ltd	26 May	P72901	5002	213.33	0.00	213.33
1244	Devon Inks plc	29 May	05/3859	5000	1 620.54	283.59	1 904.13
1195	G J Machinery Ltd	29 May	05111	7851	211.22	36.96	248.18
1053	Perth Paper plc	30 May	B34203	5000	5 530.60	919.46	6 450.06
Check List Totals							

Sales (Customer) Invoices

A/C No	Customer	Inv Date	Inv Ref	Nominal Code	Net Cost £	Tax £	Gross Cost £
H152	Hall Print Group	28 May	8584	4000	3 410.00	566.91	3 976.91
C103	Cave Grammar School	28 May	8585	4003	276.35	48.36	324.71
S113	Stone Publishing	30 May	8586	4002	1 382.30	241.90	1 624.20
B188	Barnes & Clay Ltd	30 May	8587	4001	672.80	117.74	790.54
H152	Hall Print Group	30 May	8588	4000	2 850.00	473.81	3 323.81
G027	P Galloway Ltd	30 May	8589	4005	270.00	47.25	317.25
Check List Totals							

- You have been asked to set up a new nominal ledger account "Purchases Packaging", using code number 5003.
- Transfer the sum of £6 317.80 to Purchases Packaging (Nominal Code 5003) from Purchases Paper & Inks (Nominal Code 5000), being the expenditure on packaging materials in the year to date. Date the transfer 31 May and use reference JT293.
- You are told that the consignment of Posters sent to Stone Publishing on 25 May (Invoice 8578) has been returned as they were damaged in transit. A credit note (CN236) dated 27 May, for £320.00 plus tax has been raised. Process this transaction through the company's records.
- You sell some Posters to an employee who pays the total due of £23.50 (including tax) in cash. Process the transaction using reference CS24 and date the transaction 31 May.
- You are asked to process the following three payments.

Date	Payee	Cheque No	Details	Amount (£)
31 May	Midwest Bank plc	055202	Wages & Staff Costs May (no tax)	18 210.85
31 May	P D Flooring	055203	Print Room Costs (including tax)	2 834.51
31 May	Priory Properties	055204	Rent June (no tax)	1 200.00

- You are told that a machine that was surplus to requirements was sold for £800 plus tax on 28 April to H R Thompson. The transaction has already been processed through the records, but the £800 is currently in Suspense Account (Nominal Code 9998). The machine was originally purchased for £3 000 and had been depreciated by £2 100 at the date of sale. Process this transaction through the records using reference JFA81 and date 28 April.
- You are handed a letter from your bankers informing you that the cheque (Cheque No 430081) for £131.60 that you had received from Garland Agency Ltd on 30 April has been returned by their bankers marked "Refer to Drawer – Insufficient Funds". Process this returned cheque through the system using the original cheque number and invoice date, 11 February.

11. Your manager passes to you the following four cheques received from customers and asks you to process these through the company's records, ensuring that they are correctly allocated. He also tells you that he has agreed with Harris Advertising that any balance remaining on their sales ledger account may be set off by contra against their purchase ledger account.

Date	Customer	Cheque No	Details	Amount (£)
26 May	Barnes & Clay Ltd	443070	Inv 8564	406.55
26 May	Harris Advertising	212883	No details	2 076.48
28 May	Hall Print Group	161004	Inv 8556 (Disc £682.65) Inv 8566 (Disc £483.20)	24 861.75
30 May	Stone Publishing	616005	No details, but credit note taken.	11 177.85

12. You are told that everything has now been passed to you and are asked to print off an aged creditors list and pay all amounts that are due to suppliers in accordance with the terms of trade. You are reminded that discount is available on the amount due to Perth Paper plc of £678.59 – (invoice B31459 £321.20, invoice B31573 £151.39 and invoice B31580 £206.00). You must allocate all cheques through the relevant accounts and you must also print off remittance advices to send out with the cheques. Cheques should be dated 31 May and the next available cheque no is 055205.
13. Your manager asks you to process a payment to settle the Sales & Purchase Tax liability outstanding at the end of April, using the next available cheque number and date the transaction 31 May.
14. Finally, you are asked to ensure that the Cash Account float is restored to its imprest balance of £300 by bank transfer, dated 31 May. Use the next available cheque number as the reference.

Continued on next page

15. Having completed all of the routine processing for May, you receive the following memo from Vicky Havelock, your manager.

Memo

To: Sarah Clarke
From: Vicky Havelock
Date: 31 May
Re: Accounts to 31 May

As this will be the first month-end in your new position, I am detailing as much information as you should need to complete the month-end accounts. Please use the reference JME05 where necessary for these adjustments.

- i. Closing stock at 31 May has been counted and valued at £9 400.
- ii. I estimate that approximately £250 is now accrued in Office Costs that have not yet been invoiced to the company – please provide an accrual for this amount.
- iii. Please provide for a prepayment of one month in respect of Road Fund licences on the company's vehicles.
- iv. Please note that we have already paid the rent on the company's premises for June, so you will need to provide a prepayment for that too.
- v. You will need to provide for depreciation on the company's Plant & Machinery. You will be aware that we use the reducing-balance method of depreciation at a rate of 20% per annum. Please don't forget that we sold a piece of machinery during the month.
- vi. In view of the Garland Agency Ltd cheque that was returned by their bankers, I have decided that we should write off the balance of their account at 31 May. Please ensure that this is done.
- 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 May 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 May	
iii.	Provide a printout of the balance sheet at 31 May	
iv.	Provide a printout of the following nominal ledger accounts only (to include account name, account reference, each transaction and the account balance) at 31 May. <ul style="list-style-type: none"> • Bank Current Account • Cash Account • Sale of Assets Account 	
v.	Provide a printout of the customer day book for May only, showing only invoices processed in that month.	
vi.	Provide a printout of the summary audit trail for May only.	
vii.	Provide a printout of the Sales Ledger Report(s) at 31 May to include customer name, address, account reference number, each transaction and the account balance.	
viii.	Provide a printout of the Purchase Ledger Report(s) at 31 May to include supplier name, address, account reference number, each transaction and the account balance.	
ix.	Provide a printout of the bank reconciliation statement at 30 April prepared in task 2.	
x.	Provide the printout of all remittance advices produced for the supplier cheque payments in task 12.	
xi.	Provide the Aged Creditor printout used to calculate the supplier cheque payments in task 12.	

End of Examination