

## 173 Exam ID

January 2014

### Question Paper for the following Qualification:

170: Level 1 Award in Computerised Bookkeeping QCF: 50094051

Units

171: Prepare and record sales and purchase documents using a computerised system:  
D6013643

172: Record routine bookkeeping transactions using a computerised system: R6013641

**Time Allowed 1 Hour 30 Minutes**

### General Instructions

1. Enter your IAB Student Number, Candidate Number, Name of Examination Centre and Software used in the boxes provided on the front cover of your Answer Booklet
2. Calculators are permitted
3. The Question Paper and Answer Booklet have information and data printed on both sides of the pages
4. The VAT rate for this paper is 20% and therefore computers should be set to 20% prior to starting the paper
5. If possible, you should generate your own printouts, check them and staple them into the Answer Booklet. However, if the examination centre is not set up for you to do that, you should save your reports in PDF format into a folder bearing your name and candidate number. The invigilator or technician will then print all the PDF reports in that folder and staple them into the Answer Booklet.
6. Mobile phones are not permitted

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## SCENARIO

Olivia Kelly started business on 1 January 2014, trading as Kelly's Candles. The business sells candles, candle holders and also has consultants available for home parties. New consultants must take a one day training course prior to hosting any parties. The business is registered for VAT on the Standard Accounting Scheme and will be trading on both a credit and cash basis.

## SALES

Sales are recorded in three accounts:

- One for income – consultant training
- A second account is for sales – candles
- A third account is for sales – candle holders

## PURCHASES

There are two Purchase accounts:

- One for the purchase of candles
- A second for the purchase of candle holders

Note: The Account numbers given throughout this paper are appropriate to Sage Accounting software – if you are using a different package, use appropriate numbers/names and ensure you have indicated on the Answer Booklet cover page the name of the software you have used.

You have one hour and thirty minutes to complete tasks 1 – 14.

### Task 1

a) Set the Financial Year start date on your system - January 2014.

b) Set the Program date – 31 January 2014

c) Enter the name of the business as:

**Kelly's Candles** (This should be followed by your candidate number)

d) Enter Kelly's Candles address as:

**7 High Street  
Wicklow Town  
Co. Wicklow  
Ireland**

## Task 2

Set up, where appropriate, the following accounts in the Nominal Ledger.

<b>ACCOUNT NUMBER</b>	<b>DESCRIPTION</b>
3010	Capital
3050	Drawings
4000	Income – Consultant Training
4001	Sales – Candles
4002	Sales – Candle Holders
5000	Purchases – Candles
5001	Purchases – Candle Holders
5003	Packaging
6201	Advertising & Promotions
7005	Casual Wages
8201	Subscriptions

## Task 3

Set up the following Supplier accounts.

<b>A/C Reference</b>	<b>SUPPLIER</b>	<b>ADDRESS</b>
CARLY	Carly & Co.	14 St Patrick's Road Ashford Co. Wicklow Ireland
BRAY	Bray Candleshop	2 Main Street Bray Co. Wicklow Ireland
WAX	Waxworks Ltd	8 Rockey Road Ballsbridge Dublin 4 Ireland

## Task 4

Enter the following purchase invoices onto the system. The invoice number should be used as the reference.

<b>Carly &amp; Co.</b> <b>14 St Patrick's Road</b> <b>Ashford</b> <b>Co. Wicklow</b> <b>Ireland</b>			
Kelly's Candles 7 High Street Wicklow Co. Wicklow Ireland		INVOICE	
Invoice Date: 2 January 2014		Invoice No: 0753	
Details	Unit Price £	VAT Rate	£
100 X Tealight Candles	3.10	20%	310.00
50 x Jar Candles	4.95	20%	247.50
50 x Pillar Candles	3.95	20%	197.50
Sub Total			755.00
VAT at 20%			151.00
Invoice Total			906.00
Coding	Supplier A/C Nominal A/C	CARLY 5000	

<b>BRAY CANDLESHOP</b> <b>2 MAIN STREET</b> <b>BRAY</b> <b>CO. WICKLOW</b> <b>IRELAND</b>			
Kelly's Candles 7 High Street Wicklow Town Co. Wicklow Ireland		Invoice	
Invoice Date: 2 January 2014		Invoice No: 2865	
Details	Unit Price £		£
50 x Tealight Candle Holder	3.99		199.50
50 x Crackle Glass Candle Holder	6.99		349.50
50 x Mosaic Glass Candle Holder	7.99		399.50
Sub Total			948.50
VAT at 20%			189.70
Invoice Total			1,138.20
Coding	Supplier A/C Nominal A/C	BRAY 5001	

<b>WAXWORKS LTD</b> 8 Rockey Road Ballsbridge Dublin 4 Ireland								
Kelly's Candles 7 High Street Wicklow Town Co. Wicklow Ireland	Invoice							
Invoice Date: 3 January 2014	Invoice No: 09453							
Details	Unit Price £	£						
100 x Jar Candles	4.99	499.00						
	Sub Total	499.00						
	VAT @ 20%	99.80						
	Invoice Total	598.80						
<table border="1" style="border-style: dashed;"> <tr> <td style="text-align: center;">Coding</td> <td style="text-align: center;">Supplier A/C</td> <td style="text-align: center;">WAX</td> </tr> <tr> <td></td> <td style="text-align: center;">Nominal A/C</td> <td style="text-align: center;">5000</td> </tr> </table>	Coding	Supplier A/C	WAX		Nominal A/C	5000		
Coding	Supplier A/C	WAX						
	Nominal A/C	5000						

### Task 5

Enter the following purchase credit note onto the system. The credit note number should be used as the reference.

<b>Carly &amp; Co.</b> 14 St Patrick's Road Ashford Co. Wicklow Ireland								
Kelly's Candles 7 High Street Wicklow Town Co. Wicklow Ireland	Credit Note							
Date: 8 January 2014	Credit Note No: CR071							
Details	Unit Price £	£						
Reference Invoice no. 0753 2 x Jar Candles – damaged	4.95	9.90						
	Sub Total	9.90						
	VAT at 20%	1.98						
	Invoice Total	11.88						
<table border="1" style="border-style: dashed;"> <tr> <td style="text-align: center;">Coding</td> <td style="text-align: center;">Supplier A/C</td> <td style="text-align: center;">CARLY</td> </tr> <tr> <td></td> <td style="text-align: center;">Nominal A/C</td> <td style="text-align: center;">5000</td> </tr> </table>	Coding	Supplier A/C	CARLY		Nominal A/C	5000		
Coding	Supplier A/C	CARLY						
	Nominal A/C	5000						

## Task 6

Set up the following credit customer account details.

<b>A/C Reference</b>	<b>CUSTOMER</b>	<b>ADDRESS</b>
CANDWO	Candleworks	18 Maple Avenue Wexford Ireland
CANDLE	The Candle Studio	4 Grange Street Dungarvan Co. Waterford Ireland

## Task 7

You have received the following orders from Customers. Use the information from the orders to create service invoices dated 3 January (which will be subject to VAT at 20%). Print the Customer invoices and update the accounts.

Our Sales Order No. 1

<b><i>PURCHASE ORDER</i></b>	<b>Candleworks</b> 18 Maple Avenue Wexford Ireland		
<b>To:</b> Kelly's Candles 7 High Street Wicklow Town Co. Wicklow Ireland		<b>Purchase Order No.</b>	<b>C 0843</b>
		<b>Date</b>	03.01.14
Consultant training – one session			<b>£100.00</b>

Our Sales Order No. 2

<b><i>PURCHASE ORDER</i></b>	<b>The Candle Studio</b> 4 Grange Street Dungarvan Co. Waterford Ireland		
<b>To:</b> Kelly's Candles 7 High Street Wicklow Town Co. Wicklow Ireland		<b>Purchase Order No.</b>	<b>C 3275</b>
		<b>Date</b>	03.01.14
Consultant training – one session			<b>£100.00</b>



## Task 8

Enter the following transactions for the month of January.

DATE	Reference	Account	DETAILS
2 Jan	BR1	3010	Olivia paid £20,000.00 into the business bank account as her Capital. (Tax code T9)
2 Jan	001		Drew cheque 001 for £200.00 for petty cash float
3 Jan	BP1	8201	Paid £220.00 to cover subscriptions. This is zero rated for VAT (T0).
3 Jan	PC1	5003	Paid £40.00 including VAT for packaging from petty cash, using petty cash voucher PC1.
3 Jan	PC2	6201	Paid £30.00 including VAT for advertising in a local magazine from petty cash, using petty cash voucher PC2.
6 Jan	PC3	7005	Paid £30.00 for casual wages, using petty cash voucher PC3. (Tax code T9)
13 Jan	PP2	CARLY	Paid £894.12 to Carly & Co. to pay their invoice number 0753, taking into account their credit note CR071.
13 Jan	002	BRAY	Made cheque 002 for £1,000.00 payable to Bray Candleshop. This should be treated as a payment on account.
13 Jan	003	WAX	Made cheque 003 for £500.00 payable to Waxworks Ltd. This should be treated as a part payment of their invoice 09453
14 Jan	004	3050	Olivia drew cheque 004 for £1,000.00 to cover her personal drawings. This is outside the scope of VAT.
15 Jan	BR2	4002	Banked £750.00, including VAT, received from cash sales of candle holders
15 Jan	1045	CANDWO	Received cheque number 1045 for £120.00 from Candleworks in full payment of our invoice dated 3 January 2014.

## **Task 9**

Print the following reports at the end of January.

- Trial Balance
- Summary Audit Trail

**THE ABOVE REPORTS MUST BE PRINTED BEFORE STARTING TASK 10, OR  
ALTERNATIVELY SAVE THE REPORTS AND PRINT OUT AT THE END OF  
THE EXAM IN THE PRINTING TIME ALLOWED**

**PLEASE TURN OVER**

## Task 10

Enter the following credit customer invoices. The invoice number should be used as the reference.

<b>INVOICE</b>		
<b>To:</b> Candleworks 18 Maple Avenue Wexford Ireland	<b>From:</b> <i>Kelly's Candles</i> <i>7 High Street</i> <i>Wicklow Town</i> <i>Co. Wicklow</i> <i>Ireland</i>	
Invoice Date: 16 January 2014	Invoice No: K 003	
Details	Unit Price £	£
25 x Tealight Candle Holder	5.99	149.75
25 x Mosaic Glass Candle Holder	11.99	299.75
25 x Crackle Glass Candle Holder	10.99	274.75
	Sub Total	724.25
	VAT at 20%	144.85
	Invoice Total	869.10
Coding	Customer A/C	CANDWO
	Nominal A/C	4002

<b>INVOICE</b>		
<b>To:</b> The Candle Studio 4 Grange Street Dungarvan Ireland	<b>From:</b> <i>Kelly's Candles</i> <i>7 High Street</i> <i>Wicklow Town</i> <i>Co. Wicklow</i> <i>Ireland</i>	
Invoice Date: 17 January 2014	Invoice No: K 004	
Details	Unit Price £	£
30 x Tealight Candles	7.50	225.00
30 x Pillar Candles	6.75	202.50
	Sub Total	427.50
	VAT at 20%	85.50
	Invoice Total	513.00
Coding	Supplier A/C	CANDLE
	Nominal A/C	4001

## Task 11

Enter the following purchase invoices onto the system. The invoice number should be used as the reference.

<p style="text-align: center;"><i>Carly &amp; Co.</i>  <i>14 St Patrick's Road</i>  <i>Ashford</i>  <i>Co. Wicklow</i>  <i>Ireland</i></p>			
Kelly's Candles 7 High Street Wicklow Co. Wicklow Ireland		INVOICE	
Invoice Date: 21 January 2014		Invoice No: 0772	
Details	Unit Price £	VAT Rate	£
50 x Tealight Candles	3.10	20%	155.00
50 x Pillar Candles	3.95	20%	197.50
Sub Total			352.50
VAT at 20%			70.50
Invoice Total			423.00
Coding	Supplier A/C	CARLY	
	Nominal A/C	5000	

<p style="text-align: center;">BRAY CANDLESHOP            2 MAIN STREET            BRAY            CO. WICKLOW            IRELAND</p>		
Kelly's Candles 7 High Street Wicklow Co. Wicklow Ireland		Invoice
Invoice Date: 23 January 2014		Invoice No: 2918
Details	Unit Price £	£
25 x Tealight Candle Holders	3.99	99.75
25 x Crackle Glass Candle Holders	6.99	174.75
25 x Mosaic Glass Candle Holders	7.99	199.75
Sub Total		474.25
VAT at 20%		94.85
Invoice Total		569.10
Coding	Supplier A/C	BRAY
	Nominal A/C	5001

## Task 12

Enter the following transactions for the month of January.

<b>DATE</b>	<b>Reference</b>	<b>Account</b>	<b>DETAILS</b>
20 Jan	4073	CANDLE	Received cheque number 4073 for £120.00 from The Candle Studio in full payment of our invoice dated 3 January 2014.
22 Jan	005	BRAY	Made cheque 005 for £500.00 payable to Bray Candleshop. This should be treated as a payment on account.
27 Jan	BP3	WAX	Identify how much is owed to Waxworks and enter this payment.

## Task 13

It is found that the petty cash payment PC3 for casual wages on 6 January has been wrongly entered; it was for £40.00 and not £30.00. Correct this error.

## Task 14

Olivia has received the following Bank Statement for January – you should now reconcile it to the computer Bank records.

### IRISH BANK LTD

Account Number: 18463729

Kelly's Candles  
7 High Street  
Wicklow Town  
Co. Wicklow  
Ireland

### STATEMENT OF ACCOUNT

Sheet No. 1

Sort Code: 10-20-30

Telephone: 0200 300 4000

31 January 2014

Date	Particulars	Payments	Receipts	Balance
2 Jan	Counter Credit		20,000.00	20,000.00
2 Jan	001	200.00		19,800.00
2 Jan	BP	220.00		19,580.00
10 Jan	BP	894.12		18,685.88
15 Jan	002	1,000.00		17,685.88
15 Jan	Counter Credit		750.00	18,435.88
16 Jan	003	500.00		17,935.88
16 Jan	Counter Credit		120.00	18,055.88
16 Jan	004	1,000.00		17,055.88
19 Jan	Counter Credit		120.00	17,175.88
24 Jan	005	500.00		16,675.88

## **Task 15**

**This Task may be carried out after completion of the one and a half hour examination time.**

Print the additional following reports at the end of January and file in the order below in your answer booklet.

- Trial Balance
- Summary Audit Trail
- Detailed Aged Debtors Analysis
- Detailed Customer Activity Report for Candleworks
- Remittance Advice Slip for Carly & Co.
- Detailed Aged Creditors Analysis
- Customer Address List
- Supplier Address List
- Bank Statement
- Nominal Activity Report for all categories of Sales and Purchases
- Also attach the two invoices printed at Task 7

**ENSURE ALL REPORTS ARE COLLATED IN THE CORRECT ORDER,  
FAILURE TO DO SO WILL RESULT IN A DEDUCTION OF MARKS.**

**THIS IS THE END OF THE QUESTION PAPER**