



Exam ID 223

Qualifications:

Level 2 Award in Computerised Bookkeeping QCF

(Accreditation number 500/9261/3) – IAB ID 220

Level 2 Certificate in Applied Bookkeeping QCF

(Accreditation number 500/9262/5) – IAB ID 230

Examination

Units

Unit ID 222: Setting up Accounting Software to Manage Accounting Information – F6013649

Unit ID 221: Process Routine Payments and Receipts Using a Computerised System – A6013651

January 2011

QUESTION PAPER

Time Allowed: 2 hours

Suite 30, 40 Churchill Square, Kings Hill, West Malling, Kent ME19 4YU
Tel: 0844 330 3527, Fax: 0844 330 3514, email:education@iab.org.uk

INTERNATIONAL ASSOCIATION OF BOOK-KEEPERS

QUALIFICATION TITLE: IAB LEVEL 2 AWARD IN COMPUTERISED BOOKKEEPING

Unit Titles:

**Setting up Accounting Software to Manage Accounting Information
– F6013649**

**Process Routine Payments and Receipts Using a Computerised
System – A6013651**

General Information and Instructions

The following Instructions should also be followed:

- 1 You must enter your **Candidate Number, Student Number, Name of Centre, Date of Examination** and **Software used** on the front cover of your Answer Booklet.
- 2 Time Allowed: TWO HOURS.
- 3 The use of silent non-programmable calculators is permitted.
- 4 NOTE - This Question Booklet has information and data printed on both sides of the pages.
- 5 **THE VAT RATE FOR THIS PAPER IS 20% AND THEREFORE COMPUTERS SHOULD BE SET TO 20% PRIOR TO STARTING THE QUESTION PAPER.**

Scenario

A new business, **Golfalot**, is being set up by Nick Fulcheri. The business will be registered for VAT (Standard Accounting) and will be trading on both a credit and cash basis.

Sales will be divided into 2 categories – sales of golf supplies and sales of golf training books. The latter is VAT zero rated.

Purchases will be divided into 2 categories – purchases of golf supplies and purchases of golf training books. The latter is VAT zero rated.

Required

You are to assume the role of Accounts Clerk and carry out the instructions in the order that they are given using a commercial Accounting software package. Nick is relying on you to input the data accurately. You should ensure every transaction has a unique reference.

The business was started on 1st January 2011. Set this as your Financial Year Start Date.

The name and address of Golfalot is as follows:

Golfalot
41 Argyle Street
St Andrews
Fife
Scotland
KY16 5KN

Enter this information onto your Accounting program and, after the name Golfalot, add your Candidate number.

Note: this paper has been produced using 20% as the standard rate of VAT.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Nick has established budget figures for sales, as shown. Enter these as you set up the accounts.

Nominal Code Name	Budget figures	Comment
Capital		
Drawings		
Sales – Golf Supplies	£200,000.00	spread equally over the year
Sales – Golf Training Books	£50,000.00	
Purchases – Golf Supplies		
Purchases – Golf Training Books		

Set up the following opening balances as at 1st January 2011:

Nominal Account	DR	CR
Bank	80,000.00	
Petty Cash	500.00	
Capital		80,500.00

Set up the following Customer Accounts, using an appropriate account reference:

Complete Golfer Market Street St Andrews Fife KY16 4SL	Direct Golf 2 Argyle Street St Andrews Fife KY16 4SD	K&N Golf Warehouse 10 City Road St Andrews Fife KY16 5RF
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Set up the following Supplier Accounts, using an appropriate account reference:

Direct Golf 2 Argyle Street St Andrews Fife KY16 4SD	Sports Direct 20 North Street St Andrews Fife KY16 3DF	The Golf Store 16 South Street St Andrews Fife KY16 3DH
Designer Golf Ltd Grange Road St Andrews Fife KY16 4RD		

Nick put in place the finance for the new business.

Date	Details
1 Jan	Nick paid £60,000 of his own money into the Business Bank current account and introduced a delivery vehicle worth £8,000.00 into the business.

A book was set up (extract below) in which a list of all cheques paid out would be recorded. From this Cheque Log, enter these details onto the system:

Cheque Log							
Date	Cheque no.	Payee	Details	Net £	VAT £	Gross £	√
1 Jan	400	Cardeals Ltd	Company Vehicle	30,000.00	6,000.00	36,000.00	
2 Jan	401	Cash	Petty Cash	300.00			
2 Jan	402	Signs Direct	Shop Sign	1,500.00	300.00	1,800.00	
3 Jan	403	Shop Supplies	Shop Till	1,750.00	350.00	2,100.00	
4 Jan	404	The Lighting Bug	Shop Lighting	2,000.00	400.00	2,400.00	
6 Jan	405	Uniforms & Co.	Staff Uniform	900.00	180.00	1,080.00	

During the month, the following Invoices were sent out to customers. Enter these transactions:

Golfalot 41 Argyle Street St Andrews Fife KY16 5KN Telephone: 01334 563445		
Invoice To: Complete Golfer Market Street St Andrews Fife KY16 4SL	Invoice No. G001 Invoice Date 02.01.2011	
	VAT Rate	Net
10 x Drivers	20%	1,200.00
		1,200.00
	VAT @ 20%	240.00
	Invoice Total	1,440.00
Terms: 30 days net VAT Reg. No. 745 2385 96		

Golfalot 41 Argyle Street St Andrews Fife KY16 5KN Telephone: 01334 563445		
Invoice To: Direct Golf 2 Argyle Street St Andrews Fife KY16 4SD	Invoice No. G002 Invoice Date 03.01.2011	
	VAT Rate	Net
100 x Golf Balls	20%	200.00
		200.00
	VAT @ 20%	40.00
	Invoice Total	240.00
Terms: 30 days net VAT Reg. No. 745 2385 96		

Golfalot

41 Argyle Street
St Andrews
Fife KY16 5KN

Telephone: 01334 563445

Invoice To:

K&N Golf Warehouse
10 City Road
St Andrews
Fife
KY16 5RF

Invoice No.

G003

Invoice Date

05.01.2011

	VAT Rate	Net
50 x Trolleys	20%	10,000.00
		<hr/>
		10,000.00
	VAT @ 20%	1,960.00
	Invoice Total	<hr/> 11,960.00

Terms: Cash discount of 2% for payment received within 14 days
VAT Reg. No. 745 2385 96

Golfalot

41 Argyle Street
St Andrews
Fife KY16 5KN

Telephone: 01334 563445

Invoice To:

Direct Golf
2 Argyle Street
St Andrews
Fife
KY16 4SD

Invoice No.

G004

Invoice Date

05.01.2011

	VAT Rate	Net
10 x Putters	20%	1,500.00
10 x Drivers	20%	1,500.00
		<hr/>
		3,000.00
	VAT @ 20%	600.00
	Invoice Total	<hr/> 3,600.00

Terms: 30 days net
VAT Reg. No. 745 2385 96

Golfalot

41 Argyle Street
St Andrews
Fife KY16 5KN

Telephone: 01334 563445

Invoice To:

Complete Golfer
Market Street
St Andrews
Fife
KY16 4SL

Invoice No. G005
Invoice Date 06.01.2011

	VAT Rate	Net
10 x Stand Bags	20%	2,100.00
50 x Golf for Beginners Books	Zero	649.50
		<hr/>
		2,749.50
	VAT @ 20%	<hr/> 420.00
	Invoice Total	<hr/> 3,169.50

Terms: 30 days net
VAT Reg. No. 745 2385 96

During the month, the following Credit Note was sent out. Enter this transaction:

<p>Golfalot 41 Argyle Street St Andrews Fife KY16 5KN</p> <p>Telephone: 01334 563445</p>																	
<p>Credit Note: Complete Golfer Market Street St Andrews Fife KY16 4SL</p>	<p>Credit Note No. C1001 Credit Note Date 09.01.2011</p>																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; width: 20%;">VAT Rate</td> <td style="text-align: right; width: 20%;">Net</td> </tr> <tr> <td>Damaged Driver x 1 on our invoice G001</td> <td style="text-align: right;">20%</td> <td style="text-align: right;">120.00</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">120.00</td> </tr> <tr> <td></td> <td style="text-align: right;">VAT @ 20%</td> <td style="text-align: right;">24.00</td> </tr> <tr> <td></td> <td style="text-align: right;">Invoice Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">144.00</td> </tr> </table>		VAT Rate	Net	Damaged Driver x 1 on our invoice G001	20%	120.00			120.00		VAT @ 20%	24.00		Invoice Total	144.00		
	VAT Rate	Net															
Damaged Driver x 1 on our invoice G001	20%	120.00															
		120.00															
	VAT @ 20%	24.00															
	Invoice Total	144.00															
Terms: 30 days net VAT Reg. No. 123 4567 89																	

During the month, the following invoices were received from Suppliers. Enter these transactions:

Direct Golf		
2 Argyle Street St Andrews Fife KY16 4SD		
Invoice To:		Invoice No. DG1789
		Invoice Date 2.01.2011
Golfalot 41 Argyle Street St Andrews Fife KY16 5KN		
60 x Trolleys	VAT Rate 20%	Net 9,000.00
		<hr/> 9,000.00
	VAT @ 20%	1,800.00
	Invoice Total	<hr/> 10,800.00
Terms: 30 days net VAT Reg. No. 364 7863 92		

Sports Direct		
20 North Street St Andrews Fife KY16 3DF		
Invoice To:		Invoice No. S099
		Invoice Date 3.01.2011
Golfalot 41 Argyle Street St Andrews Fife KY16 5KN		
20 x Putters	VAT Rate 20%	Net 2,500.00
		<hr/> 2,500.00
	VAT @ 20%	490.00
	Invoice Total	<hr/> 2,990.00
Terms: Cash discount of 2% for payment within 20 days VAT Reg. No. 378 5234 12		

The Golf Store

16 South Street
 St Andrews
 Fife
 KY16 3DH

Invoice To:

Golfalot
 41 Argyle Street
 St Andrews
 Fife KY16 5KN

Invoice No. 5674
Invoice Date 4.01.2011

	VAT Rate	Net
200 x Golf Balls	20%	265.29
		265.29
	VAT @ 20%	53.05
	Invoice Total	318.34

Terms: Net monthly account
 VAT Reg. No. 684 2984 27

Designer Golf Ltd

Grange Road
 St Andrews
 Fife
 KY16 4RD

Invoice To:

Golfalot
 41 Argyle Street
 St Andrews
 Fife KY16 5KN

Invoice No. DG2768
Invoice Date 5.01.2011

	VAT Rate	Net
15 x Stand Bags	20%	2625.00
100 x Golf Books	Zero	999.90
		3,624.90
	VAT @ 20%	525.00
	Invoice Total	4,149.90

Terms: 30 days net
 VAT Reg. No. 897 5342 76

The Golf Store

16 South Street
 St Andrews
 Fife
 KY16 3DH

Invoice To:

Golfalot
 41 Argyle Street
 St Andrews
 Fife KY16 5KN

Invoice No. 5698
Invoice Date 5.01.2011

	VAT Rate	Net
15 x Drivers	20%	1,500.00
5 x Golf Books	Zero	49.95
		1,549.95
	VAT @ 20%	300.00
	Invoice Total	1,849.95

Terms: Net monthly account
 VAT Reg. No. 684 2984 27

Sports Direct

20 North Street
 St Andrews
 Fife
 KY16 3DF

Invoice To:

Golfalot
 41 Argyle Street
 St Andrews
 Fife KY16 5KN

Invoice No. S124
Invoice Date 6.01.2011

	VAT Rate	Net
10 x Drivers	20%	1,200.00
		1,200.00
	VAT @ 20%	235.20
	Invoice Total	1,435.20

Terms: Cash discount of 2% for payment within 20 days
 VAT Reg. No. 378 5234 12

During the month, the following monies have been received from Customers:

		£
15 Jan	Cheque (no. 265) received from Complete Golfer. This covered invoice G001 and should be treated as a part payment.	1,000.00
16 Jan	Cheque (no. 390) received from K&N Golf Warehouse. Since there was no indication why this was less than the invoice amount, you should treat it as a payment on account.	6,000.00
18 Jan	Cheque (no. 275) received from Complete Golfer. This covered the remaining balance on our invoice G001, taking into account our credit note C1001	296.00
18 Jan	Cheque (no 410) received from K&N Golf Warehouse, to cover the remaining balance of our invoice G003, taking into account the Payment on Account already entered and the discount offered.	5,760.00

In addition, on 19 January, Golfalot had a stand at a local golf exhibition. The amount received from sales of golf supplies was £9,400.00 including VAT and was paid directly into the bank.

You have already entered some cheques (ticked) from the Cheque Log – enter the remaining cheque payments.

Cheque Log							
Date	Chq no.	Payee	Details	Net £	VAT £	Gross £	√
1 Jan	400	Cardeals Ltd	Company Vehicle	30,000.00	6,000.00	36,000.00	√
2 Jan	401	Cash	Petty Cash	300.00			√
2 Jan	402	Signs Direct	Shop Sign	1,500.00	300.00	1,800.00	√
3 Jan	403	Shop Supplies	Shop Till	1,750.00	350.00	2,100.00	√
4 Jan	404	The Lighting Bug	Shop Lighting	2,000.00	400.00	2,400.00	√
6 Jan	405	Uniforms & Co.	Staff Uniform	900.00	180.00	1,080.00	√
17 Jan	407	Sports Direct	A payment on account of goods supplied			1,500.00	
18 Jan	408	Nick Fulcheri	Drawings			2,000.00	
18 Jan	409	The Golf Store	Payment to cover invoice 5674 in full			318.34	
18 Jan	410	Direct Golf	Payment to cover our invoices G002 and G004 and Direct Golf's invoice DG1789. This should therefore be processed as a contra entry.			6,960.00	

24 January

Received notification from the Bank that a cheque for £150.00, received from a customer at the exhibition on 19 January, had been returned unpaid due to insufficient funds. Process this as a Bad Debt.

31 January

Nick took some golf training books at a selling price of £150.00 for his own use and for family gifts. Make the journal entry to reflect this.

Produce reports at 31st January 2011:

Trial Balance

Summary Audit Trail

Nominal Account Activity for both categories of Sales

Back-up your work to an appropriate storage device.

TURN TO THE NEXT PAGE.

During the month, Petty Cash has been spent and the Vouchers below written out. Enter this expenditure.

Petty Cash Voucher No. PCV 1 Date 2.1.2011	VAT Rate: 20%
Expense Details Fuel for company car	Amount including VAT (where applicable) £70.00
Signed	Total £70.00

Petty Cash Voucher No. PCV 2 Date 3.1.2011	VAT Rate: 20%
Expense Details Promotional Leaflets	Amount including VAT (where applicable) £150.00
Signed	Total £150.00

Petty Cash Voucher No. PCV 3 Date 6.1.2011	VAT Rate: 20%
Expense Details Repairs to Shop Door	Amount including VAT (where applicable) £50.00
Signed	Total £50.00

Petty Cash Voucher No. PCV 4 Date 9.1.2011	VAT Exempt
Expense Details Postage	Amount including VAT (where applicable) £25.00
Signed	Total £25.00

Petty Cash Voucher No. PCV 5 Date 13.1.2011	VAT Rate Zero
Expense Details Shop Cleaning	Amount including VAT (where applicable) £20.00
Signed	Total £20.00

Petty Cash Voucher No. PCV 6 Date 19.1.2011	VAT Rate 20%
Expense Details Advertising	Amount including VAT (where applicable) £30.00
Signed	Total £30.00

Cash Sales of £1,200.00 including VAT were made at a local golf club on 18th January for sales of golf supplies. £500.00 was paid into the Bank and Nick took the remainder as drawings.

12 January	Received Bank Loan of £5,000 paid into the current account. Arranged loan repayment to be paid on 19 th of each month by Standing Order. This amounts to £300 per month, £250 being capital repayment and £50 being loan interest. Set this up and post the payment.
31 January	Paid £650.00 including VAT for a private golf training course for staff on cheque numbered 411.

Petty Cash Voucher PCV5 dated 13th January should have been for £25.00 and not £20.00. Make the necessary adjustment by Journal Entry to correct this error.

The wages for January have been calculated. Enter these transactions.

- 31 January - Net Wages paid from the Bank Current Account by BACS £2,150.50
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£634.76
Employee's NIC deducted	£456.23
Employer's NIC	£423.98
"Payroll Giving" deducted	£ 20.00

These will not be sent off to until 15th February; therefore, enter these figures into the system by Journal Entries.

31 January

Identify the amount required to reimburse Petty Cash to £500.00. This will be withdrawn from the bank using the business debit card. Enter this transaction.

31 January

Following sales on 18 January at the local golf club, a customer has now returned a golf driver, selling price of £125.00, due to it being unsuitable. A full cheque refund using cheque numbered 412 should be given and the golf driver will be returned to the shop for future sale.

The Bank Statement below has been received; reconcile it to your computer records.

SCOTTISH BANK PLC

Number: 034254687

Golfalot
41 Argyle Street
St Andrews
Fife
KY16 5KN

Sheet No. 1

Sort Code: 55-44-33

Telephone: 01334 265938

Facsimile: 01334 265939

STATEMENT

Date	Particulars	Payments	Receipts	Balance
1 Jan	Opening balance		80,000.00	80,000.00
1 Jan	Counter Credit		60,000.00	140,000.00
1 Jan	400	36,000.00		104,000.00
2 Jan	401	300.00		103,700.00
6 Jan	403	2,100.00		101,600.00
7 Jan	402	1,800.00		99,800.00
7 Jan	404	2,400.00		97,400.00
12 Jan	Credit		5,000.00	102,400.00
18 Jan	Counter Credit		1,000.00	103,400.00
19 Jan	Counter Credit		6,000.00	109,400.00
21 Jan	Counter Credit		296.00	109,696.00
21 Jan	Counter Credit		500.00	110,196.00
21 Jan	Counter Credit		5,760.00	115,956.00
22 Jan	405	1,080.00		114,876.00
22 Jan	Counter Credit		9,400.00	124,276.00
22 Jan	407	1,500.00		122,776.00
23 Jan	408	2,000.00		120,776.00
24 Jan	409	318.34		120,457.66
24 Jan	410	6,960.00		113,497.66
25 Jan	Cheque Returned	150.00		113,347.66
26 Jan	Standing Order – Loan	300.00		113,047.66

PLEASE TURN TO THE NEXT PAGE

Produce the following reports as at 31st January 2011:

This may be carried out after the 2 hour examination time

Trial Balance

Summary Audit Trail

Bank Statement

Nominal Activity Reports for Bank and Petty Cash

Bank Receipts and Payments Day Books

Customer Address List

Supplier Address List

Detailed Supplier Activity Report for Sports Direct

Detailed Aged Debtors Analysis

Detailed Aged Creditors Analysis

Statement complete with Remittance Advice for Complete Golfer

Budget Reports comparing budget to actuals