



## **Exam ID 223**

### **Qualifications**

#### **Level 2 Award in Computerised Bookkeeping QCF**

(Accreditation number 500/9261/3)

#### **Level 2 Certificate in Applied Bookkeeping QCF**

(Accreditation number 500/9261/3)

### **Examination**

#### **Units:**

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

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

## **JANUARY 2013**

## **QUESTION PAPER**

**Time Allowed: 2 hours**

# INTERNATIONAL ASSOCIATION OF BOOK-KEEPERS

## QUALIFICATION TITLE: IAB LEVEL 2 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 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.**
- 6 **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.**

## Scenario

Harry Dewhurst has set up a new business on the 1<sup>st</sup> January 2013, ***The Village Sweet Shop***, the business is registered for VAT on the Standard Accounting Scheme and will be trading on both a credit and cash basis.

The business buys and sells sweets and crisps, all of which are standard rated for VAT.

## 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. Harry is relying on you to input the data accurately. You should ensure every transaction has a unique reference.

The business was started on 1<sup>st</sup> January 2013. Set this as your Financial Year Start Date.

The name and address of The Village Sweet Shop is as follows:

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds  
West Yorkshire  
LS16 6DW

Enter this information onto your Accounting program and, after the name The Village Sweet Shop, add your Candidate number.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Harry 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 – Sweets	£ 70,000	spread equally over the year
Sales – Crisps	£ 10,000	
Purchases – Sweets	£ 50,000	
Purchases – Crisps	£ 5,000	

The owner has introduced assets as follows:

Nominal Account	£
Bank	20,000.00
Petty Cash	300.00
Shop Fixtures & Fittings	10,000.00

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

Ken's Sweet Shop 10 High Street Leeds West Yorkshire LS1 7HL	Humbugs 2 Victoria Lane Wakefield West Yorkshire WF1 9DW	Sweets n Candy The Mall Bank Street Huddersfield West Yorkshire HD3 2JY
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Set up the following Supplier Accounts, using an appropriate account reference:

Crystals Sweets 5 Main Street Wakefield West Yorkshire WF1 7BC	Sweets n Candy The Mall Bank Street Huddersfield West Yorkshire HD3 2JY	The Sweet Warehouse Unit 7 Poplar Industrial Estate Leeds West Yorkshire LS1 3VF
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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 £	√
2 January	100	Cash	Petty Cash	100.00			
2 January	101	G.K.'s Ltd	Computer	1000.00	200.00	1,200.00	
2 January	102	Print World	Printing of Leaflets	80.00	16.00	96.00	
4 January	103	Candy World	Promotions	50.00	10.00	60.00	
4 January	104	Jones & Co.	Shop Till	800.00	160.00	960.00	
7 January	105	Mr D. Harris	Shop Repairs	125.00	25.00	150.00	

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

<b>THE VILLAGE SWEET SHOP</b>		
3 Market Street Adel Leeds LS16 6DW <b>Telephone: 0113 100 2000</b>		
<b>Invoice To:</b> Humbugs 2 Victoria Lane Wakefield West Yorkshire WF1 9DW	<b>Invoice No.</b> 001 <b>Invoice Date</b> 04.01.2013	
	VAT Rate      Net	
Sweets x 50 jars mixed	20%	499.50
		499.50
	VAT @ 20%	99.90
	Invoice Total	599.40
Terms: 30 days net VAT Reg. No. 123 4567 89		

<b>THE VILLAGE SWEET SHOP</b>		
3 Market Street Adel Leeds LS16 6DW <b>Telephone: 0113 100 2000</b>		
<b>Invoice To:</b> Sweets n Candy The Mall Bank Street Huddersfield HD3 2JY	<b>Invoice No.</b> 002 <b>Invoice Date</b> 04.01.2013	
	VAT Rate      Net	
Sweets x 50 jars mixed	20%	499.50
Crisps x 20 boxes	20%	199.80
		699.30
	VAT @ 20%	139.86
	Invoice Total	839.16
Terms: 30 days net VAT Reg. No. 123 4567 89		

# THE VILLAGE SWEET SHOP

3 Market Street  
Adel  
Leeds  
LS16 6DW

**Telephone: 0113 100 2000**

**Invoice To:**

Ken's Sweet Shop  
10 High Street  
Leeds  
LS1 7HL

**Invoice No.** 003

**Invoice Date** 07.01.2013

	VAT Rate	Net
Sweets x 100 jars mixed	20%	999.00
Crisps x 10 boxes	20%	99.90
		<hr/>
		1,098.90
	VAT @ 20%	208.79
	<b>Invoice Total</b>	<b>1,307.69</b>

Terms: Cash discount of 5% for payment  
received within 14 days

VAT Reg. No. 123 4567 89

# THE VILLAGE SWEET SHOP

3 Market Street  
Adel  
Leeds  
LS16 6DW

**Telephone: 0113 100 2000**

**Invoice To:**

Sweets n Candy  
The Mall  
Bank Street  
Huddersfield  
HD3 2JY

**Invoice No.** 004

**Invoice Date** 07.01.2013

	VAT Rate	Net
Sweets x 25 jars mixed	20%	249.75
Crisps x 10 boxes	20%	99.90
		<hr/>
		349.65
	VAT @ 20%	69.93
	<b>Invoice Total</b>	<b>419.58</b>

Terms: 30 days net

VAT Reg. No. 123 4567 89

# THE VILLAGE SWEET SHOP

3 Market Street  
Adel  
Leeds  
LS16 6DW

**Telephone: 0113 100 2000**

**Invoice To:**

Humbugs  
2 Victoria Lane  
Wakefield  
West Yorkshire  
WF1 9DW

**Invoice No.** 005

**Invoice Date** 08.01.2013

	VAT Rate	Net
Crisps x 40 boxes	20%	399.60
		<hr/>
		399.60
	VAT @ 20%	79.92
	<b>Invoice Total</b>	<b>479.52</b>

Terms: 30 days net  
VAT Reg. No. 123 4567 89

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

# THE VILLAGE SWEET SHOP

3 Market Street  
Adel  
Leeds  
LS16 6DW

**Telephone: 0113 100 2000**

**Credit Note:**

Humbugs  
2 Victoria Lane  
Wakefield  
West Yorkshire  
WF1 9DW

**Credit Note No.** CN001

**Credit Note Date** 10.01.2013

	VAT Rate	Net
Damaged Sweet Jars x 5 on our invoice 001	20%	49.95
		<hr/>
		49.95
	VAT @ 20%	9.99
	<b>Invoice Total</b>	<b>59.94</b>

Terms: 30 days net  
VAT Reg. No. 123 4567 89



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

<b>Sweets n Candy</b>		
The Mall Bank Street Huddersfield HD3 2JY		
<b>Invoice To:</b>	<b>Invoice No.</b>	845
	<b>Invoice Date</b>	2.01.2013
The Village Sweet Shop 3 Market Street Adel Leeds LS16 6DW		
	VAT Rate	Net
Sweets x 500 jars mixed	20%	2,495.00
Crisps x 100 boxes	20%	399.00
		2,894.00
	VAT @ 20%	578.80
	Invoice Total	3,472.80
Terms: 30 days net VAT Reg. No. 745 2638 92		

<b>THE SWEET WAREHOUSE</b>		
UNIT 7 POPLAR INDUSTRIAL ESTATE LEEDS LS1 3VF		
<b>Invoice To:</b>	<b>Invoice No.</b>	3281
	<b>Invoice Date</b>	2.01.2013
The Village Sweet Shop 3 Market Street Adel Leeds LS16 6DW		
	VAT Rate	Net
Crisps x 100 boxes	20%	399.00
Sweets x 250 jars mixed	20%	1,247.50
Sweets x 50 jars of mints	20%	199.50
		1,846.00
	VAT @ 20%	361.81
	Invoice Total	2,207.81
Terms: Cash discount of 2% for payment within 30 days VAT Reg. No. 453 8765 23		

**Sweets n Candy**

The Mall  
Bank Street  
Huddersfield  
HD3 2JY

**Invoice To:**

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds  
LS16 6DW

**Invoice No.** 863  
**Invoice Date** 3.01.2013

	VAT Rate	Net
Sweets x 100 jars lollipops	20%	499.00
Crisps x 100 boxes	20%	399.00
		<hr/> 898.00
	VAT @ 20%	179.60
	<b>Invoice Total</b>	<hr/> <b>1,077.60</b>

Terms: 30 days net  
VAT Reg. No. 745 2638 92

***Crystals Sweets***

5 Main Street  
Wakefield  
WF1 7BC

**Invoice To:**

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds  
LS16 6DW

**Invoice No.** 1053  
**Invoice Date** 4.01.2013

	VAT Rate	Net
Sweets x 25 jars mixed	20%	124.75
Crisps x 50 boxes	20%	162.50
		<hr/> 287.25
	VAT @ 20%	57.45
	<b>Invoice Total</b>	<hr/> <b>344.70</b>

Terms: 30 days net  
VAT Reg. No. 382 6473 40

**THE SWEET WAREHOUSE**

UNIT 7  
POPLAR INDUSTRIAL ESTATE  
LEEDS  
LS1 3VF

**Invoice To:**

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds  
LS16 6DW

**Invoice No.** 3318  
**Invoice Date** 4.01.2013

	VAT Rate	Net
Crisps x 50 boxes	20%	199.50
Sweets x 50 jars mixed	20%	249.50
		<hr/>
		449.00
	VAT @ 20%	88.00
	Invoice Total	<hr/>
		537.00

Terms: Cash discount of 2% for payment within 30 days  
VAT Reg. No. 453 8765 23

*Crystals Sweets*

5 Main Street  
Wakefield  
WF1 7BC

**Invoice To:**

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds  
LS16 6DW

**Invoice No.** 1072  
**Invoice Date** 7.01.2013

	VAT Rate	Net
Sweets x 50 jars mixed	20%	249.50
		<hr/>
		249.50
	VAT @ 20%	49.90
	Invoice Total	<hr/>
		299.40

Terms: 30 days net  
VAT Reg. No. 382 6473 40

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

		£
11 January	Cheque (no. 3725) received from Humbugs. This relates to invoice 001 and credit note CN001.	539.46
15 January	Cheque (no. 893) received from Ken's Sweet Shop. This relates to invoice 003 and allows for the discount offered.	1,252.74
18 January	Cheque (no. 3798) received from Humbugs. This should be treated as a payment on account	400.00

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 £	✓
2 January	100	Cash	Petty Cash	100.00			✓
2 January	101	G.K.'s Ltd	Computer	1,000.00	200.00	1,200.00	✓
2 January	102	Print World	Printing of Leaflets	80.00	16.00	96.00	✓
4 January	103	Candy World	Promotions	50.00	10.00	60.00	✓
4 January	104	Jones & Co.	Shop Till	800.00	160.00	960.00	✓
7 January	105	Mr D. Harris	Shop Repairs	125.00	25.00	150.00	✓
8 January	106	McGarrigle & Co.	Shop Rent	1,750.00	350.00	2,100.00	
11 January	107	Harry Dewhurst	Drawings			750.00	
11 January	108	Sweets n Candy	Payment to Sweets n Candy. This covers our invoice 002 and Sweets n Candy invoice 845. This should therefore be processed as a contra entry.			2,633.64	
15 January	109	Crystals Sweets	Payment to Crystals Sweets, this should be treated as a part payment against invoice 1053.			300.00	
16 January	110	The Sweet Warehouse	Payment to cover invoice 3281 in full taking into account the discount offered.			2,170.89	
24 January	111	Crystals Sweets	Calculate the payment required to pay the remainder of invoice 1053 in full and invoice 1072 in full, allowing for the part payment made on 15 January.				

25 January

Cash Sales of £240.00 including VAT for sweets were made at a local market. Harry kept £40 to pay casual wages and banked the remainder.

31 January

Received notification from the Bank that a cheque received from cash sales made on 25 January for £15.00 had been returned unpaid. Process this as a bad debt ignoring any VAT implications.

31 January

Harry took sweets at a selling price of £25.00 plus VAT. The sweets were for a donation to a local children's hospice. This should be treated as a donation.

**Produce reports at 31<sup>st</sup> January 2013:**

Trial Balance

Summary Audit Trail

Nominal Account Activity for both categories of Sales and Purchases

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

**TURN TO THE NEXT PAGE**

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

<b>Petty Cash Voucher No. PCV 1 Date 2.1.2013</b>	VAT Rate: Zero
Expense Details  Shop Cleaning	Amount including VAT (where applicable)  £20.00
Signed .....	Total      £20.00

<b>Petty Cash Voucher No. PCV 2 Date 2.1.2013</b>	VAT Rate: 20%
Expense Details  Advertising	Amount including VAT (where applicable)  £80.00
Signed .....	Total      £80.00

<b>Petty Cash Voucher No. PCV 3 Date 4.1.2013</b>	VAT Rate: Exempt
Expense Details  Postage	Amount including VAT (where applicable)  £32.00
Signed .....	Total      £32.00

<b>Petty Cash Voucher No. PCV 4 Date 7.1.2013</b>	VAT 20%
Expense Details Shop Repair	Amount including VAT (where applicable) £30.00
Signed .....	Total £30.00

<b>Petty Cash Voucher No. PCV 5 Date 8.1.2013</b>	VAT Rate Zero
Expense Details Milkman	Amount including VAT (where applicable) £10.00
Signed .....	Total £10.00

<b>Petty Cash Voucher No. PCV 6 Date 19.1.2013</b>	VAT Rate Outside the scope of VAT (T9)
Expense Details Casual Wages - Student	Amount including VAT (where applicable) £40.00
Signed .....	Total £40.00

On 2 January, a Bank Loan of £10,000 was received into the current account. Enter this as a receipt.

It has been arranged that the loan repayment is to be paid on 28<sup>th</sup> of each month by Standing Order. This amounts to £350 per month, £250 being capital repayment and £100 being loan interest. Set this up and post the payment.

28 January	The bank loan of £10,000.00 was used to purchase a delivery vehicle costing £10,000 including VAT. This was paid using cheque 112. Treat this as an asset.
29 January	Paid £260.00 including VAT for vehicle graphics/advertising using cheque 113.

Petty Cash Voucher PCV 6 dated 19 January should have been for £30.00 (not £40.00). Correct this entry.

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

- 31 January - Net Wages and Drawings are paid from the Bank Current Account by BACS – The Net Wages totalled £1,500.00 and Harry's drawings are £500.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£287.32
Employee's NIC deducted	£118.14
Employer's NIC	£131.17
Payroll Giving deducted	£ 30.00

These will not be paid until 15 January; therefore, enter these figures into the system by Journal Entries.

31 January  
Identify the amount required to reimburse Petty Cash to £400.00 and process this transaction using cheque numbered 114.



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

## LEEDS BANK PLC

The Village Sweet Shop  
3 Market Street  
Adel  
Leeds

Sheet No. 1  
Sort Code: 10-20-30  
Account: 01634284  
Telephone: 0113 200 3000  
Facsimile: 0113 200 3001

### STATEMENT

31<sup>st</sup> January 2013

Date	Particulars	Payments	Receipts	Balance
2 Jan	Opening balance		20,000.00	20,000.00
2 Jan	Bank Loan		10,000.00	30,000.00
2 Jan	100	100.00		29,900.00
4 Jan	101	1,200.00		28,700.00
7 Jan	102	96.00		28,604.00
8 Jan	103	60.00		28,544.00
8 Jan	104	960.00		27,584.00
11 Jan	105	150.00		27,434.00
11 Jan	106	2,100.00		25,334.00
14 Jan	107	750.00		24,584.00
14 Jan	Counter Credit		539.46	25,123.46
14 Jan	108	2,633.64		22,489.82
14 Jan	109	300.00		22,189.82
18 Jan	Counter Credit		1,252.74	23,442.56
22 Jan	Counter Credit		400.00	23,842.56
22 Jan	110	2,170.89		21,671.67
28 Jan	111	344.10		21,327.57
28 Jan	Counter Credit		200.00	21,527.57
28 Jan	Standing Order	350.00		21,177.57
31 Jan	Returned Cheque	15.00		21,162.57
31 Jan	112	10,000.00		11,162.57

**Produce the following reports as at 31 January 2013:  
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 The Sweet Warehouse

Detailed Aged Debtors Analysis

Detailed Aged Creditors Analysis

Customer Statement for Humbugs

Budget Reports comparing budget to actuals for the month of January

**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**