

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

June 2011

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

A new business, **Winchester Newsagents**, is being set up by Tom Winchester. 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 confectionery and sales of newspapers. The latter is VAT zero rated.

Purchases will be divided into 2 categories – purchases of confectionery and purchases of newspapers. 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. Tom 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 Winchester Newsagents is as follows:

Winchester Newsagents
Market Street
York
North Yorkshire
YO50 5SR

Enter this information onto your Accounting program and, after the name Winchester Newsagents, add your Examination Entry number.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Tom 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 – Confectionery	£30,000.00	spread equally over the year
Sales – Newspapers	£90,000.00	
Purchases – Confectionery		
Purchases – Newspapers		

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

Nominal Account	DR	CR
Bank	20,000.00	
Petty Cash	400.00	
Shop Fixtures	5,000.00	
Capital		25,400.00

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

News Direct Bridge Street York North Yorkshire YO20 6GH	York News 12 Museum Street York North Yorkshire YO10 7JH	Miller & Co 3 Church Street York North Yorkshire YO10 5DS
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Set up the following Supplier Accounts, using an appropriate account reference:

Supernews 1 Lord Mayors Walk York North Yorkshire YO20 2SW	Good News High Green York North Yorkshire YO30 9JK	Sweet Surprise 7 Station Street York North Yorkshire YO30 3NB
News Direct Bridge Street York North Yorkshire YO20 6GH		

Tom put in place the finance for the new business.

Date	Details
1 Jan	Tom paid £10,000 into the Business Bank current account which was a loan from his Father and Tom introduced a computer worth £1,000 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 £	√
2 Jan	100	Tradelines Limited	Shop Fixtures	4,500.00	900.00	5,400.00	
2 Jan	101	Cash	Petty Cash	200.00			
2 Jan	102	York Local	Advertising	370.00	74.00	444.00	
3 Jan	103	Express Printing	Promotional Leaflets	250.00	50.00	300.00	
5 Jan	104	North College	Staff Sales Training	500.00	100.00	600.00	
6 Jan	105	West & Son	Delivery Vehicle	2,000.00	400.00	2,400.00	

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

Winchester Newsagents		
Market Street York North Yorkshire YO50 5SR Telephone: 01904 645372		
Invoice To: News Direct Bridge Street York North Yorkshire YO20 6GH	Invoice No. Invoice Date	WN001 03.01.2011
	VAT Rate	Net
Newspapers – York Times x 2500	Zero	1,250.00
		1,250.00
	Invoice Total	1,250.00
Terms: 30 days net VAT Reg. No. 123 4567 89		

Winchester Newsagents		
Market Street York North Yorkshire YO50 5SR Telephone: 01904 645372		
Invoice To: Miller & Co 3 Church Street York North Yorkshire YO10 5DS	Invoice No. Invoice Date	WN002 04.01.2011
	VAT Rate	Net
Confectionery	20%	4,500.00
		4,500.00
	VAT @ 20%	900.00
	Invoice Total	5,400.00
Terms: 30 days net VAT Reg. No. 123 4567 89		

Winchester Newsagents

Market Street
York
North Yorkshire YO50 5SR
Telephone: 01904 645372

Invoice To:

York News
12 Museum Street
York
North Yorkshire
YO10 7JH

Invoice No.

WN003

Invoice Date

05.01.2011

	VAT Rate	Net
Newspapers – York Star x 500	Zero	250.00
Confectionery	20%	150.00
		<hr/> 400.00
	VAT @ 20%	29.40
	Invoice Total	<hr/> 429.40

Terms: Cash discount of 2% for payment received within 14 days
VAT Reg. No. 123 4567 89

Winchester Newsagents

Market Street
York
North Yorkshire YO50 5SR
Telephone: 01904 645372

Invoice To:

News Direct
Bridge Street
York
North Yorkshire
YO20 6GH

Invoice No.

WN004

Invoice Date

06.01.2011

	VAT Rate	Net
Newspapers – York Star x 100	Zero	50.00
Confectionery	20%	299.83
		<hr/> 349.83
	VAT @ 20%	59.96
	Invoice Total	<hr/> 409.79

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

Winchester Newsagents

Market Street
York
North Yorkshire YO50 5SR
Telephone: 01904 645372

Invoice To:

Miller & Co
3 Church Street
York
North Yorkshire
YO10 5DS

Invoice No. WN005**Invoice Date** 07.01.2011

	VAT Rate	Net
Confectionery	20%	775.63
Newspapers – Daily News x 150	Zero	75.00
		<hr/>
		850.63
	VAT @ 20%	<hr/> 155.12
	Invoice Total	<hr/> 1,005.75

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

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

Winchester Newsagents Market Street York North Yorkshire YO50 5SR Telephone: 01904 645372		
Credit Note: Miller & Co 3 Church Street York North Yorkshire YO10 5DS	Credit Note No. CN001 Credit Note Date 08.01.2011	
	VAT Rate	Net
Damaged Confectionery on our invoice WN002	20%	85.00
		85.00
	VAT @ 20%	17.00
	Invoice Total	102.00
Terms: 30 days net VAT Reg. No. 123 4567 89		

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

Supernews		
1 Lord Mayors Walk York North Yorkshire YO20 2SW		
Invoice To:		Invoice No. S 1054
		Invoice Date 2.01.2011
Winchester Newsagents Market Street York North Yorkshire YO50 5SR		
	VAT Rate	Net
Newspapers – York Times x 3000	Zero	1,050.00
Newspapers – York Star x 750	Zero	262.50
		1,312.50
	Invoice Total	1,312.50
Terms: 30 days net VAT Reg. No. 734 2548 96		

Sweet Surprise		
7 Station Street York North Yorkshire YO30 3NB		
Invoice To:		Invoice No. SS3725
		Invoice Date 2.01.2011
Winchester Newsagents Market Street York North Yorkshire YO50 5SR		
	VAT Rate	Net
Mixed Confectionery	20%	7,500.00
		7,500.00
	VAT @ 20%	1,470.00
	Invoice Total	8,970.00
Terms: Cash discount of 2% for payment within 30 days VAT Reg. No. 238 7243 65		

Good News		
High Green York North Yorkshire YO30 9JK		
Invoice To:		Invoice No. G103
Winchester Newsagents Market Street York North Yorkshire YO50 5SR		Invoice Date 3.01.2011
Newspapers - Daily News x 250	VAT Rate Zero	Net 75.00
		75.00
	Invoice Total	75.00
Terms: Net monthly account VAT Reg. No. 287 5342 69		

News Direct		
Bridge Street York North Yorkshire YO20 6GH		
Invoice To:		Invoice No. ND 278
Winchester Newsagents Market Street York North Yorkshire YO50 5SR		Invoice Date 5.01.2011
Confectionery	VAT Rate 20%	Net 1350.29
100 x York Star Newspapers	Zero	35.00
		1,385.29
	VAT @ 20%	270.05
	Invoice Total	1,655.34
Terms: 30 days net VAT Reg. No. 634 2568 54		

Good News		
High Green York North Yorkshire YO30 9JK		
Invoice To:	Invoice No.	G167
Winchester Newsagents Market Street York North Yorkshire YO50 5SR	Invoice Date	6.01.2011
Mixed Confectionery	VAT Rate 20%	Net 950.00
		950.00
	VAT @ 20%	190.00
	Invoice Total	1,140.00
Terms: Net monthly account VAT Reg. No. 287 5342 69		

Sweet Surprise		
7 Station Street York North Yorkshire YO30 3NB		
Invoice To:	Invoice No.	SS3865
Winchester Newsagents Market Street York North Yorkshire YO50 5SR	Invoice Date	6.01.2011
Mixed Confectionery	VAT Rate 20%	Net 600.00
		600.00
	VAT @ 20%	117.60
	Invoice Total	717.60
Terms: Cash discount of 2% for payment within 20 days VAT Reg. No. 238 7243 65		

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

		£
14 Jan	Cheque (no. 1675) received from News Direct. This should be treated as a payment on account.	625.00
16 Jan	Cheque (no. 675) received from Miller & Co. This covered invoice WN002 and credit note CN001.	5,298.00
17 Jan	Cheque (no. 854) received from York News. This covered invoice WN003, taking into account the discount offered.	421.40
18 Jan	Cheque (no 1686) received from News Direct, to cover our invoice WN001, taking into account the payment on account already entered.	625.00

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 Jan	100	Tradelines Limited	Shop Fixtures	4,500.00	900.00	5,400.00	✓
2 Jan	101	Cash	Petty Cash	200.00			✓
2 Jan	102	York Local	Advertising	370.00	74.00	444.00	✓
3 Jan	103	Express Printing	Promotional Leaflets	250.00	50.00	300.00	✓
5 Jan	104	North College	Staff Sales Training	500.00	100.00	600.00	✓
6 Jan	105	West & Son	Delivery Vehicle	2,000.00	400.00	2,400.00	✓
17 Jan	106	Supernews	A part payment of invoice S 1054.			1,000.00	
18 Jan	107	Sweet Surprise	Payment to cover invoice SS3725 in full taking into account the discount offered.			8,820.00	
18 Jan	108	Good News	Calculate the payment required to cover invoice G103 in full				
18 Jan	109	News Direct	Payment to cover our invoices WN004 and News Direct invoice ND 278. This should therefore be processed as a contra entry.			1,245.55	
19 Jan	110	Tom Winchester	Drawings			1,000.00	

22 January

Cash Sales of £720.00 including VAT were made at a local charity show on 18th January for sales of confectionery. £620.00 was paid into the Bank and Tom donated £100.00 to the local charity. A new nominal code should be set up of 4002 – Cash Sales and the amount paid into the bank.

27 January

Received notification from the Bank that a cheque for £15.00, received from cash sales at the local charity show on 22 January had been returned unpaid. Process this as a Bad Debt (Ignore VAT).

31 January

Tom took some newspapers at a selling price of £10.00. Make the journal entry to reflect this.

Produce reports at 31st January 2011:

Trial Balance

Summary Audit Trail

Nominal Account Activity for all three categories of Sales

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.

Petty Cash Voucher No. PCV 1 Date 2.1.2011	VAT Rate: Outside the scope of VAT – T9
Expense Details	Amount including VAT (where applicable)
Casual Wages	£40.00
Signed	Total £40.00

Petty Cash Voucher No. PCV 2 Date 3.1.2011	VAT Rate: 20%
Expense Details	Amount including VAT (where applicable)
Fuel for Delivery Van	£15.00
Signed	Total £15.00

Petty Cash Voucher No. PCV 3 Date 4.1.2011	VAT Rate: 20%
Expense Details	Amount including VAT (where applicable)
Computer Cable	£9.99
Signed	Total £9.99

Petty Cash Voucher No. PCV 4 Date 7.1.2011	VAT Exempt
Expense Details Postage	Amount including VAT (where applicable) £8.40
Signed	Total £8.40

Petty Cash Voucher No. PCV 5 Date 11.1.2011	VAT Rate Zero
Expense Details Refreshments	Amount including VAT (where applicable) £32.00
Signed	Total £32.00

Petty Cash Voucher No. PCV 6 Date 15.1.2011	VAT Rate 20%
Expense Details Stationery	Amount including VAT (where applicable) £27.00
Signed	Total £27.00

26 January	Paid £270 including VAT to a local restaurant for a staff New Years meal on cheque no. 111.
26 January	Made £50.00 cash sales of newspapers at a local stall and banked this into the business current account. This should be coded to Cash Sales.
	On 1 st January, a Bank Loan of £3,000 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 th of each month by Standing Order. This amounts to £150 per month, £100 being capital repayment and £50 being loan interest. Set this up and post the payment.

Petty Cash Voucher PCV1 dated 2nd January should have been for £50.00 and not £40.00. Correct this error.

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

- 31 January - Net Wages and Drawings are paid from the Bank Current Account by BACS – Total £1,780.00 including £200.00 drawings paid to Tom.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£435.87
Employee's NIC deducted	£254.08
Employer's NIC	£235.00
Health Insurance deducted	£ 45.00

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 £600.00 and process this transaction using cheque numbered 112.

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

YORK BANK PLC

Winchester Newsagents
Market Street
York
North Yorkshire
YO50 5SR

Sheet No. 1
Sort Code: 10-20-30
Account: 01234567
Telephone: 01904 253648
Facsimile: 01904 253649

STATEMENT

Date	Particulars	Payments	Receipts	Balance
1 Jan	Opening balance		20,000.00	20,000.00
1 Jan	Counter Credit		10,000.00	30,000.00
1 Jan	Bank Loan		3,000.00	33,000.00
2 Jan	101	200.00		32,800.00
5 Jan	100	5,400.00		27,400.00
6 Jan	103	300.00		27,100.00
7 Jan	102	444.00		26,656.00
8 Jan	104	600.00		26,056.00
9 Jan	105	2,400.00		23,656.00
15 Jan	Counter Credit		625.00	24,281.00
17 Jan	Counter Credit		5,298.00	29,579.00
19 Jan	Counter Credit		421.40	30,000.40
20 Jan	Counter Credit		625.00	30,625.40
21 Jan	106	1,000.00		29,625.40
21 Jan	107	8,820.00		20,805.40
22 Jan	108	75.00		20,730.40
23 Jan	109	1,245.55		19,484.85
23 Jan	110	1,000.00		18,484.85
23 Jan	Counter Credit		620.00	19,104.85
25 Jan	Returned Cheque	15.00		19,089.85
26 Jan	111	270.00		18,819.85

**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 Sweet Surprise
Detailed Aged Debtors Analysis
Detailed Aged Creditors Analysis
Customer Statement for Miller & Co.
Budget Reports comparing budget to actuals