



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**

JUNE 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

Ella Lawson has set up a new business on the 1st June 2013, ***Ella's Flowers***, 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 flowers and vases, 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. Ella is relying on you to input the data accurately. You should ensure every transaction has a unique reference.

The business was started on 1st June 2013. Set this as your Financial Year Start Date.

The name and address of Ella's Flowers is as follows:

Ella's Flowers
15 Grove Road
Swansea
SA1 8DR

Enter this information onto your Accounting program and, after the name Ella's Flowers, add your Examination Entry number.

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

Nominal Code Name	Budget figures	Comment
Capital		
Drawings		
Sales – Flowers	£ 60,000	spread equally over the year
Sales – Vases	£ 5,000	
Purchases – Flowers	£ 35,000	
Purchases – Vases	£ 2,500	

The owner has introduced assets on 1 June 2013 as follows:

Nominal Account	£
Bank	10,000.00
Petty Cash	300.00
Vehicle	12,000.00
Computer	1,500.00

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

Kim's Florists 1 Station Road Cardiff CF10 9LG	Jessica & Co. 27 Kings Road Swansea SA1 4FR	Mrs D. Smallwood 38 Mill Road Swansea SA1 2LW
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Set up the following Supplier Accounts, using an appropriate account reference:

Jessica & Co. 27 Kings Road Swansea SA1 4FR	The Florist Works 3 Grange Road Cardiff CF10 2SN	Rainbow Florists 5 Maple Street Newport NP10 5YT
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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 £	✓
3 June	100	Cash	Petty Cash	200.00			
3 June	101	Harpers Direct	Shop Fixtures	2,000.00	400.00	2,400.00	
3 June	102	Swansea News	Advertising	100.00	20.00	120.00	
4 June	103	PKL Ltd	Staff Uniform	175.99	35.19	211.18	
5 June	104	Harpers Direct	Shop Lighting	300.00	60.00	360.00	
7 June	105	Millie's Packaging	Packaging	54.00	10.80	64.80	

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

<i>ELLA'S FLOWERS</i>		
15 Grove Road Swansea SA1 8DR		
Telephone: 01792 101010		
Invoice To: Jessica & Co. 27 Kings Road Swansea SA1 4FR	Invoice No. 001 Invoice Date 04.06.2013	
	VAT Rate	Net
Flowers - mixed	20%	385.50
		385.50
	VAT @ 20%	77.10
	Invoice Total	462.60
Terms: 30 days net VAT Reg. No. 123 4567 89		

<i>ELLA'S FLOWERS</i>		
15 Grove Road Swansea SA1 8DR		
Telephone: 01792 101010		
Invoice To: Mrs D. Smallwood 38 Mill Road Swansea SA1 2LW	Invoice No. 002 Invoice Date 04.06.2013	
	VAT Rate	Net
Flowers - roses	20%	150.00
Vases x 10	20%	189.90
		339.90
	VAT @ 20%	67.98
	Invoice Total	407.88
Terms: 30 days net VAT Reg. No. 123 4567 89		

ELLA'S FLOWERS

15 Grove Road
Swansea
SA1 8DR

Telephone: 01792 101010

Invoice To:
Kim's Florists
1 Station Road
Cardiff
CF10 9LG

Invoice No. 003
Invoice Date 06.06.2013

	VAT Rate	Net
Flowers - mixed	20%	675.50
Vases x 20	20%	379.80
		<hr/>
		1,055.30
	VAT @ 20%	204.72
	Invoice Total	<hr/> 1,260.02

Terms: Cash discount of 3% for payment
received within 14 days

VAT Reg. No. 123 4567 89

ELLA'S FLOWERS

15 Grove Road
Swansea
SA1 8DR

Telephone: 01792 101010

Invoice To:
Jessica & Co.
27 Kings Road
Swansea
SA1 4FR

Invoice No. 004
Invoice Date 07.06.2013

	VAT Rate	Net
Flowers - mixed	20%	478.75
		<hr/>
		478.75
	VAT @ 20%	95.75
	Invoice Total	<hr/> 574.50

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

ELLA'S FLOWERS

15 Grove Road
Swansea
SA1 8DR

Telephone: 01792 101010

Invoice To:

Mrs D. Smallwood
38 Mill Road
Swansea
SA1 2LW

Invoice No. 005

Invoice Date 10.06.2013

	VAT Rate	Net
Flowers - mixed	20%	165.00
		<hr/>
		165.00
	VAT @ 20%	33.00
	Invoice Total	198.00

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

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

ELLA'S FLOWERS

15 Grove Road
Swansea
SA1 8DR

Telephone: 01792 101010

Credit Note:

Mrs D. Smallwood
38 Mill Road
Swansea
SA1 2LW

Credit Note No. CN001

Credit Note Date 10.06.2013

	VAT Rate	Net
Damaged Vases x 2 on our invoice 002	20%	37.98
		<hr/>
		37.98
	VAT @ 20%	7.59
	Invoice Total	45.57

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

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

<i>Rainbow Florists</i>		
5 Maple Street Newport NP10 5YT		
Invoice To:	Invoice No. 3926	Invoice Date 3.06.2013
Ella's Flowers 15 Grove Road Swansea SA1 8DR		
	VAT Rate	Net
Flowers - mixed	20%	954.50
Vases x 50	20%	247.50
		1,202.00
	VAT @ 20%	240.40
	Invoice Total	1,442.40
Terms: 30 days net VAT Reg. No. 435 2957 20		

THE FLORIST WORKS		
3 GRANGE ROAD CARDIFF CF10 2SN		
Invoice To:	Invoice No. 0864	Invoice Date 3.06.2013
Ella's Flowers 15 Grove Road Swansea SA1 8DR		
	VAT Rate	Net
Flowers - mixed	20%	679.90
Cylinder Glass Vase x 20	20%	199.80
Square Glass Vase x 20	20%	199.80
		1,079.50
	VAT @ 20%	211.58
	Invoice Total	1,291.08
Terms: Cash discount of 2% for payment within 30 days VAT Reg. No. 735 2946 93		

Jessica & Co.
 27 Kings Road
 Swansea
 SA1 4FR

Invoice To:

Ella's Flowers
 15 Grove Road
 Swansea
 SA1 8DR

Invoice No. 6723
Invoice Date 3.06.2013

	VAT Rate	Net
Flowers - mixed	20%	298.50
Vases x 15	20%	180.00
		<hr/> 478.50
	VAT @ 20%	95.70
	Invoice Total	<hr/> 574.20

Terms: 30 days net
 VAT Reg. No. 632 9674 27

Rainbow Florists

5 Maple Street
 Newport
 NP10 5YT

Invoice To:

Ella's Flowers
 15 Grove Road
 Swansea
 SA1 8DR

Invoice No. 4006
Invoice Date 5.06.2013

	VAT Rate	Net
Flowers - mixed	20%	204.50
Flowers - roses	20%	121.75
		<hr/> 326.25
	VAT @ 20%	65.25
	Invoice Total	<hr/> 391.50

Terms: 30 days net
 VAT Reg. No. 534 2956 61

THE FLORIST WORKS

3 GRANGE ROAD
 CARDIFF
 CF10 2SN

Invoice To:

Ella's Flowers
 15 Grove Road
 Swansea
 SA1 8DR

Invoice No. 0873
Invoice Date 5.06.2013

	VAT Rate	Net
Vases x 5	20%	49.95
Flowers - carnations	20%	176.22
		226.17
	VAT @ 20%	44.32
	Invoice Total	270.49

Terms: Cash discount of 2% for payment within 30 days
 VAT Reg. No. 735 2946 93

Rainbow Florists

5 Maple Street
 Newport
 NP10 5YT

Invoice To:

Ella's Flowers
 15 Grove Road
 Swansea
 SA1 8DR

Invoice No. 4127
Invoice Date 7.06.2013

	VAT Rate	Net
Flowers - mixed	20%	314.55
		314.55
	VAT @ 20%	62.91
	Invoice Total	377.46

Terms: 30 days net
 VAT Reg. No. 534 2956 61

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

		£
10 June	Cheque (no. 4184) received from Jessica & Co. This relates to invoice 001 and should be treated as a part payment.	300.00
11 June	Cheque (no. 2946) received from Kim's Florists. This relates to invoice 003 and allows for the discount offered.	1,228.38
14 June	Cheque (no. 1367) received from Mrs D. Smallwood. This relates to invoice 002 and credit note CN001.	362.31
24 June	Bank payment received from Jessica & Co. This covers our invoices 001, 004 and Jessica & Co. invoice 6723. This should therefore be processed as a contra entry.	162.90

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 £	✓
3 June	100	Cash	Petty Cash	200.00			✓
3 June	101	Harpers Direct	Shop Fixtures	2,000.00	400.00	2,400.00	✓
3 June	102	Swansea News	Advertising	100.00	20.00	120.00	✓
4 June	103	PKL Ltd	Staff Uniform	175.99	35.19	211.18	✓
5 June	104	Harpers Direct	Shop Lighting	300.00	60.00	360.00	✓
7 June	105	Millie's Packaging	Packaging	54.00	10.80	64.80	✓
10 June	106	Spencer & Co.	Legal Fees	1,200.00	240.00	1,440.00	
10 June	107	Ella Lawson	Drawings			500.00	
14 June	108	Rainbow Florists	Payment to Rainbow Florists, this should be treated as a payment on account.			1,000.00	
14 June	109	The Florist Works	Payment to cover invoice 0864 in full taking into account the discount offered.			1,269.49	
25 June	110	Rainbow Florists	Allocate the payment on account made on 14 June to invoice 3926 and calculate the payment required to pay this invoice in full.				

21 June

Cash Sales of £180.00 including VAT for flowers were made. Ella kept £20 to pay for vehicle fuel (ignore VAT) and banked the remainder.

28 June

Received notification from the Bank that the cheque received from Mrs D. Smallwood on 14 June for £362.31 had been returned unpaid. Process this as a returned cheque.

28 June

Ella took flowers at a selling price of £12.00 plus VAT for her own use.

Produce reports at 30th June 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.

Petty Cash Voucher No. PCV 1 Date 3.6.2013	VAT Rate: Zero
Expense Details Refreshments	Amount including VAT (where applicable) £12.00
Signed	Total £12.00

Petty Cash Voucher No. PCV 2 Date 4.6.2013	VAT Rate: 20%
Expense Details Shop Repair	Amount including VAT (where applicable) £40.00
Signed	Total £40.00

Petty Cash Voucher No. PCV 3 Date 6.6.2013	VAT Rate: Exempt
Expense Details Postage	Amount including VAT (where applicable) £9.20
Signed	Total £9.20

Petty Cash Voucher No. PCV 4 Date 7.6.2013	VAT 20%
Expense Details Advertising	Amount including VAT (where applicable) £22.80
Signed	Total £22.80

Petty Cash Voucher No. PCV 5 Date 10.6.2013	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 13.6.2013	VAT Rate 20%
Expense Details Stationery	Amount including VAT (where applicable) £7.20
Signed	Total £7.20

On 3 June, a Bank Loan of £5,000 was received into the current account. Enter this as a receipt.

It has been arranged that the loan repayment is to be paid on 28th of each month by Standing Order. This amounts to £175 per month, £125 being capital repayment and £50 being loan interest. Set this up and post the payment.

25 June	Paid £282.00 including VAT for vehicle servicing and repairs using cheque 111.
29 June	The bank loan of £5,000.00 was used to purchase new shop fixtures and fittings costing £4,000 including VAT and an alarm system costing £1,000 including VAT. This was paid by bank payment. Treat these as assets.

Petty Cash Voucher PCV 5 dated 10 June should have been for £25.00 (not £20.00). Correct this entry.

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

- 29 June - Net Wages and Drawings are paid from the Bank Current Account by BACS – The Net Wages totalled £1,000.00 and Ella's drawings are £1,000.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£95.66
Employee's NIC deducted	£39.33
Employer's NIC	£43.66
Payroll Giving deducted	£15.00

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

29 June
Identify the amount required to decrease the Petty Cash to £300.00 and transfer this amount into the bank account.

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

SWANSEA BANK PLC

Ella's Flowers
15 Grove Road
Swansea
SA1 8DR

Sheet No. 1
Sort Code: 10-20-30
Account: 01745284
Telephone: 0111 200 3000
Facsimile: 0111 200 3001

STATEMENT

Date	Particulars	Payments	Receipts	Balance
3 June	Opening balance		10,000.00	10,000.00
3 June	Bank Loan		5,000.00	15,000.00
4 June	100	200.00		14,800.00
6 June	101	2,400.00		12,400.00
7 June	102	120.00		12,280.00
7 June	103	211.18		12,068.82
7 June	104	360.00		11,708.82
11 June	105	64.80		11,644.02
14 June	106	1,440.00		10,204.02
14 June	107	500.00		9,704.02
14 June	Counter Credit		300.00	10,004.02
18 June	108	1,000.00		9,004.02
18 June	109	1,269.49		7,734.53
19 June	Counter Credit		1,228.38	8,962.91
26 June	Counter Credit		362.31	9,325.22
28 June	Counter Credit		162.90	9,488.12
28 June	111	282.00		9,206.12
28 June	Counter Credit		160.00	9,336.12
28 June	Standing Order	175.00		9,191.12
28 June	Returned Cheque	362.31		8,828.81

**Produce the following reports as at 30 June 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 Rainbow Florists
Detailed Aged Debtors Analysis
Detailed Aged Creditors Analysis
Customer Statement for Mrs D. Smallwood
Budget Reports comparing budget to actuals for the month of June

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