

## 223 Exam ID

### Question Paper for the following Qualifications:

220: Level 2 Award in Computerised Bookkeeping QCF: 50092613

230: Level 2 Certificate in Applied Bookkeeping QCF: 50092613

#### Units:

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

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

### Time Allowed 2 Hours

Paper No: 0043

#### General Instructions

1. Enter your IAB Student Number, Candidate Number, Name of Examination Centre and Software used in the spaces 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

Poppy Taylor has set up a new business on the 1 June 2014, ***Poppy's Carpets***, 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 carpets and rugs, 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. Poppy is relying on you to input the data accurately. You should ensure every transaction has a unique reference.

The business was started on 1 June 2014. Set this as your Financial Year Start Date.

The name and address of Poppy's Carpets is as follows:

Poppy's Carpets  
5 Brook Street  
Cambridge  
CB1 7RL

Enter this information onto your Accounting program and, after the name Poppy's Carpets, add your candidate number.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Poppy 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 – Carpets	£25,000.00	spread equally over the year
Sales – Rugs	£22,000.00	
Purchases – Carpets	£23,000.00	
Purchases – Rugs	£17,000.00	

The owner has introduced assets on 1 June 2014 as follows:

Nominal Account	£
Bank	10,000.00
Petty Cash	300.00
Delivery Vehicle	9,000.00
Office Equipment	1,000.00

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

Spiral Carpets 2 Regent Street Cambridge CB2 9RW	P.K's Carpets 13 Victoria Road Bedford MK1 8SL	Gem Carpets 15 Main Street Cambridge CB1 4KT
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Set up the following Supplier Accounts, using an appropriate account reference:

Gem Carpets 15 Main Street Cambridge CB1 4KT	Carpet Mill 10 Park Road Chelmsford Essex CM1 3TH	Carpetland Ltd 1 Bank Street Cambridge CB3 6NC
-------------------------------------------------------	---------------------------------------------------------------	---------------------------------------------------------

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 June	100	Cash	Petty Cash	100.00			
2 June	101	ABC Fittings	Shop Fittings	1,000.00	200.00	1,200.00	
2 June	102	Uniform Direct	Staff Uniform	124.99	24.99	149.98	
3 June	103	Clear Signs Ltd	Vehicle Graphics	150.00	30.00	180.00	
5 June	104	Isla's Printers	Printing	60.00	12.00	72.00	
9 June	105	T.K's Hardware	Shop Repairs	49.99	9.99	59.98	

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

<b>Gem Carpets</b> 15 Main Street Cambridge CB1 4KT		
<b>Invoice To:</b>  Poppy's Carpets 5 Brook Street Cambridge CB1 7RL	<b>Invoice No.</b> 06734 <b>Invoice Date</b> 2.06.2014	
Rugs x 40	VAT Rate 20%	Net 4,000.00 <hr/> 4,000.00 VAT @ 20%      800.00 <hr/> Invoice Total      4,800.00
Terms: 30 days net VAT Reg. No. 746 2314 03		

<b>CARPET MILL</b> 10 PARK ROAD CHELMSFORD ESSEX CM1 3TH		
<b>Invoice To:</b>  Poppy's Carpets 5 Brook Street Cambridge CB1 7RL	<b>Invoice No.</b> 10075 <b>Invoice Date</b> 2.06.2014	
Carpet – Beige Twist x 5 rolls Carpet – Blue Twist x 2 rolls Carpet – Red Patterned x 1 roll	VAT Rate 20% 20% 20%	Net 999.95 399.98 179.99 <hr/> 1,579.92 VAT @ 20%      306.50 <hr/> Invoice Total      1,886.42
Terms: Cash discount of 3% for payment within 30 days VAT Reg. No. 523 3725 94		

# CARPETLAND LTD

1 Bank Street  
Cambridge  
CB3 6NC

**Invoice To:**

Poppy's Carpets  
5 Brook Street  
Cambridge  
CB1 7RL

**Invoice No.** 5674  
**Invoice Date** 2.06.2014

	VAT Rate	Net
Carpet – Blue Stripe x 5 rolls	20%	1,125.00
Carpet – Red Stripe x 5 rolls	20%	1,125.00
		<hr/> 2,250.00
	VAT @ 20%	450.00
	Invoice Total	<hr/> 2,700.00

Terms: 30 days net  
VAT Reg. No. 835 1254 37

**Gem Carpets**  
15 Main Street  
Cambridge  
CB1 4KT

**Invoice To:**

Poppy's Carpets  
5 Brook Street  
Cambridge  
CB1 7RL

**Invoice No.** 06762  
**Invoice Date** 6.06.2014

	VAT Rate	Net
Rugs x 5	20%	500.00
Carpet – White x 1 roll	20%	299.99
		<hr/> 799.99
	VAT @ 20%	159.99
	Invoice Total	<hr/> 959.98

Terms: 30 days net  
VAT Reg. No. 746 2314 03

**CARPET MILL**

10 PARK ROAD  
 CHELMSFORD  
 ESSEX  
 CM1 3TH

**Invoice To:**

Poppy's Carpets  
 5 Brook Street  
 Cambridge  
 CB1 7RL

**Invoice No.** 10091  
**Invoice Date** 6.06.2014

	VAT Rate	Net
Carpet – Beige Twist x 5 rolls	20%	999.95
Carpet – Green Patterned x 2 rolls	20%	350.00
		1,349.95
	VAT @ 20%	261.89
	<b>Invoice Total</b>	<b>1,611.84</b>

Terms: Cash discount of 3% for payment within 30 days  
 VAT Reg. No. 523 3725 94

**Gem Carpets**  
 15 Main Street  
 Cambridge  
 CB1 4KT

**Invoice To:**

Poppy's Carpets  
 5 Brook Street  
 Cambridge  
 CB1 7RL

**Invoice No.** 06775  
**Invoice Date** 10.06.2014

	VAT Rate	Net
Rugs x 2	20%	200.00
Carpet – Black x 1 roll	20%	295.00
		495.00
	VAT @ 20%	99.00
	<b>Invoice Total</b>	<b>594.00</b>

Terms: 30 days net  
 VAT Reg. No. 746 2314 03

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

<b>POPPY'S CARPETS</b> 5 Brook Street Cambridge CB1 7RL  <b>Telephone: 01223 123456</b>		
<b>Invoice To:</b> Spiral Carpets 2 Regent Street Cambridge CB2 9RW	<b>Invoice No.</b> 001 <b>Invoice Date</b> 04.06.2014	
	VAT Rate 20%	Net 750.00
Rugs x 5		750.00
		750.00
	VAT @ 20%	150.00
	Invoice Total	900.00
Terms: 30 days net VAT Reg. No. 123 4567 89		

<b>POPPY'S CARPETS</b> 5 Brook Street Cambridge CB1 7RL  <b>Telephone: 01223 123456</b>		
<b>Invoice To:</b> Gem Carpets 15 Main Street Cambridge CB1 4KT	<b>Invoice No.</b> 002 <b>Invoice Date</b> 05.06.2014	
	VAT Rate 20%	Net 600.00
Beige Twist Carpet x 3 rolls		600.00
		600.00
	VAT @ 20%	120.00
	Invoice Total	720.00
Terms: 30 days net VAT Reg. No. 123 4567 89		

# POPPY'S CARPETS

5 Brook Street  
Cambridge  
CB1 7RL

**Telephone: 01223 123456**

**Invoice To:**

P.K's Carpets  
13 Victoria Road  
Bedford  
MK1 8SL

**Invoice No.** 003

**Invoice Date** 09.06.2014

	VAT Rate	Net
Rugs x 5	20%	750.00
Red Patterned Carpet x 1 roll	20%	269.95
		<hr/>
		1,019.95
	VAT @ 20%	197.87
	<b>Invoice Total</b>	<b>1,217.82</b>

Terms: Cash discount of 3% for payment  
received within 14 days  
VAT Reg. No. 123 4567 89

# POPPY'S CARPETS

5 Brook Street  
Cambridge  
CB1 7RL

**Telephone: 01223 123456**

**Invoice To:**

Spiral Carpets  
2 Regent Street  
Cambridge  
CB2 9RW

**Invoice No.** 004

**Invoice Date** 10.06.2014

	VAT Rate	Net
Blue Stripe Carpet x 2 rolls	20%	675.00
		<hr/>
		675.00
	VAT @ 20%	135.00
	<b>Invoice Total</b>	<b>810.00</b>

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

# POPPY'S CARPETS

5 Brook Street  
Cambridge  
CB1 7RL

**Telephone: 01223 123456**

**Invoice To:**  
Gem Carpets  
15 Main Street  
Cambridge  
CB1 4KT

**Invoice No.** 005  
**Invoice Date** 10.06.2014

	VAT Rate	Net
Blue Twist Carpet x 2 rolls	20%	400.00
		<hr/>
		400.00
	VAT @ 20%	80.00
	<b>Invoice Total</b>	<b>480.00</b>

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

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

# POPPY'S CARPETS

5 Brook Street  
Cambridge  
CB1 7RL

**Telephone: 01223 123456**

**Credit Note:**  
Spiral Carpets  
2 Regent Street  
Cambridge  
CB2 9RW

**Credit Note No.** CN001  
**Credit Note Date** 11.06.2014

	VAT Rate	Net
Damaged Rug x 1 on our invoice 001	20%	150.00
		<hr/>
		150.00
	VAT @ 20%	30.00
	<b>Invoice Total</b>	<b>180.00</b>

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

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

		£
11 June	Payment received from Spiral Carpets direct into the bank. This should be treated as a payment on account.	500.00
13 June	Cheque (no. 3726) received from P.K's Carpets. This relates to invoice 003 and allows for the discount offered.	1,187.23
17 June	Payment received from Spiral Carpets direct into the bank. This relates to invoice 001 and credit note CN001. Allocate the payment on account made on 11 June to invoice 001.	220.00

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 June	100	Cash	Petty Cash	100.00			✓
2 June	101	ABC Fittings	Shop Fixtures	1,000.00	200.00	1,200.00	✓
2 June	102	Uniform Direct	Staff Uniform	124.99	24.99	149.98	✓
3 June	103	Clear Signs Ltd	Vehicle Graphics	150.00	30.00	180.00	✓
5 June	104	Isla's Printers	Printing	60.00	12.00	72.00	✓
9 June	105	T.K's Hardware	Shop Repairs	49.99	9.99	59.98	✓
10 June	106	Barker & Co.	Legal Fees	500.00	100.00	600.00	
10 June	107	Poppy Taylor	Drawings			1,500.00	
13 June	108	Carpetland Ltd	Payment to Carpetland Ltd. This relates to invoice 5674 and should be treated as a part payment.			1,500.00	
13 June	109	Carpet Mill	Payment to cover invoice 10075 in full taking into account the discount offered.			1,839.03	
13 June	110	Gem Carpets	Payment to Gem Carpets. This covers our invoice 002 and Gem Carpets invoice 06734. This should therefore be processed as a contra entry.			4,080.00	
27 June	111	Carpetland Ltd	Calculate the payment required to pay invoice 5674 in full.				

19 June

Received notification from the Bank that a cheque received from P.K's Carpets for £1,187.23 had been returned unpaid. Process this as a returned cheque.

20 June

Cash Sales of £462.00 including VAT for rugs were made at a local market. £400.00 was banked into the business bank account and the remainder of £62.00 should be entered as a petty cash receipt.

30 June

Poppy took a rug at a selling price of £150.00 plus VAT. Poppy paid for this by paying cash to the business bank account and this should therefore be treated as a bank receipt.

**Produce reports at 30 June 2014:**

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</b> <b>No. PCV 1</b> <b>Date 2.6.2014</b>	VAT Rate: Outside the scope of VAT (T9)
Expense Details	Amount including VAT (where applicable)
Casual wages	£40.00
Signed .....	Total £40.00

<b>Petty Cash Voucher</b> <b>No. PCV 2</b> <b>Date 3.6.2014</b>	VAT Rate: 20%
Expense Details	Amount including VAT (where applicable)
Display items	42.00
Signed .....	Total £42.00

<b>Petty Cash Voucher</b> <b>No. PCV 3</b> <b>Date 6.6.2014</b>	VAT Rate: 20%
Expense Details	Amount including VAT (where applicable)
Carriage in	£16.80
Signed .....	Total £16.80

<b>Petty Cash Voucher No. PCV 4 Date 10.6.2014</b>	VAT Zero
Expense Details Window Cleaning	Amount including VAT (where applicable) £15.00
Signed .....	Total £15.00

<b>Petty Cash Voucher No. PCV 5 Date 11.6.2014</b>	VAT Rate Exempt
Expense Details Postage	Amount including VAT (where applicable) £5.20
Signed .....	Total £5.20

<b>Petty Cash Voucher No. PCV 6 Date 16.6.2014</b>	VAT Rate 20%
Expense Details Bulb for shop light	Amount including VAT (where applicable) £4.99
Signed .....	Total £4.99

On 2 June, a Loan from Poppy's father of £3,000 was received into the current account. Enter this as a receipt.

It has been arranged that accountancy fees of £150.00 are to be paid to Brook Accountants on 28<sup>th</sup> of each month by Standing Order. VAT should be ignored (tax code T9) as this will be dealt with when an invoice is received from the accountants. Set this up and post the payment.

26 June	Paid £180.00 including VAT for shop painting using cheque 112.
30 June	The loan of £3,000.00 was used to purchase a new computer costing £2,500 including VAT, computer software costing £250.00 including VAT, and a printer costing £250.00 including VAT, from Ricky's Computer Supplies. This was paid by bank payment.

Petty Cash Voucher PCV 5 dated 11 June should have been for £6.20 (not £5.20). Correct this entry.

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

- 30 June - Net Wages and Drawings are paid from the Bank Current Account by BACS – The Net Wages totalled £2,000.00 and Poppy's drawings are £1,200.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£171.11
Employee's NIC deducted	£ 66.40
Employer's NIC	£ 70.22
Payroll Giving deducted	£ 20.00

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

30 June  
Identify the amount required to increase the Petty Cash to £350.00 and transfer this amount from the bank account.

The Bank Statement below was received on 30 June; reconcile it to your computer records.

## CAMBRIDGE BANK PLC

Poppy's Carpets  
5 Brook Street  
Cambridge  
CB1 7RL

Sheet No. 1  
Sort Code: 10-20-30  
Account: 01261534  
Telephone: 0200 100 2000  
Facsimile: 0200 100 2001

### STATEMENT

30 June 2014

Date	Particulars	Payments	Receipts	Balance
2 June	Opening balance		10,000.00	10,000.00
2 June	Counter Credit		3,000.00	13,000.00
3 June	100	100.00		12,900.00
6 June	101	1,200.00		11,700.00
7 June	102	149.98		11,550.02
7 June	103	180.00		11,370.02
7 June	104	72.00		11,298.02
13 June	105	59.98		11,238.04
14 June	106	600.00		10,638.04
11 June	107	1,500.00		9,138.04
11 June	Counter Credit		500.00	9,638.04
14 June	Counter Credit		1,187.23	10,825.27
17 June	108	1,500.00		9,325.27
17 June	109	1,839.03		7,486.24
17 June	110	4,080.00		3,406.24
19 June	Counter Credit		220.00	3,626.24
19 June	Returned Cheque	1,187.23		2,439.01
20 June	Counter Credit		400.00	2,839.01
28 June	Standing Order	150.00		2,689.01

**Produce the following reports as at 30 June 2014:  
This may be carried out after the 2 hour examination time**

Trial Balance

Summary Audit Trail

Bank Statement

Detailed Bank Receipts and Payments Day Books

Nominal Activity Reports for Bank and Petty Cash

Customer Address List

Detailed Customer Activity Report for Spiral Carpets

Detailed Aged Debtors Analysis

Supplier Address List

Detailed Supplier Activity Report for Carpet Mill

Detailed Aged Creditors Analysis

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**