

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

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

Elaine Clarke has set up a new business on the 1 June 2015, ***Sew Many Things***, 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 material and haberdashery (threads, ribbons, zips, pins etc.), 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. Elaine 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 2015. Set this as your Financial Year Start Date.

The name and address of Sew Many Things is as follows:

Sew Many Things
1 Copper Way
Leeds
LS1 5PT

Enter this information onto your Accounting program and, after the name Sew Many Things, add your candidate number.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Elaine 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 – Material	£5,000.00	spread equally over the year
Sales – Haberdashery	£2,000.00	
Purchases – Material	£3,000.00	
Purchases – Haberdashery	£1,200.00	

The owner has introduced assets on 1 June 2015 as follows:

Nominal Account	£
Bank	15,000.00
Petty Cash	200.00
Delivery Vehicle	10,000.00
Shop Equipment	3,000.00

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

Magic Stitch 10 High Street Leeds LS1 8WE	Sew Classic 3 Church Street Pontefract WF2 9TR	Gail's Haberdashery 29 Acorn Way Harrogate HG2 8HG
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Set up the following Supplier Accounts, using an appropriate account reference:

Jen's Fabrics 12 Orchard Bank Bradford BD5 2LH	Sewing Supplies (Leeds) Ltd Unit 5 Apple Industrial Estate Leeds LS2 6VG	Magic Stitch 10 High Street Leeds LS1 8WE
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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	Chq no.	Payee	Details	Net £	VAT £	Gross £	✓
1 June	100	Cash	Petty Cash	150.00			
1 June	101	Computer Biz	Computer	800.00	160.00	960.00	
1 June	102	Leeds Chronicle	Advert	24.99	4.99	29.98	
3 June	103	A & C Accountants	Accountancy Fees	120.00	24.00	144.00	
4 June	104	Emma's Shop Supplies	Shop Displays	200.00	40.00	240.00	
9 June	105	Timpson's Garage	Vehicle Repairs	82.00	16.40	98.40	

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

Magic Stitch 10 High Street Leeds LS1 8WE		
Invoice To: Sew Many Things 1 Copper Way Leeds LS1 5PT	Invoice No. 05463 Invoice Date 1.06.2015	
	VAT Rate 20%	Net 199.00 399.00 <hr/> 598.00
Mixture of Threads x 100		
Standard Zips x 100		
	VAT @ 20%	119.60
	Invoice Total	717.60
Terms: 30 days net VAT Reg. No. 453 2716 34		

JEN'S FABRICS 12 ORCHARD BANK BRADFORD BD5 2LH		
Invoice To: Sew Many Things 1 Copper Way Leeds LS1 5PT	Invoice No. 105647 Invoice Date 1.06.2015	
	VAT Rate 20%	Net 499.00 499.00 499.00 <hr/> 1,497.00
Material – Cotton x 100m		
Material – Suede x 100m		
Material – Patterned x 100m		
	VAT @ 20%	290.41
	Invoice Total	1,787.41
Terms: Cash discount of 3% for payment within 30 days VAT Reg. No. 647 2684 92		

SEWING SUPPLIES (LEEDS) LTD
Unit 5 Apple Industrial Estate
Leeds
LS2 6VG

Invoice To:

Sew Many Things
 1 Copper Way
 Leeds
 LS1 5PT

Invoice No. 3827
Invoice Date 1.06.2015

	VAT Rate	Net
Pins x 1,000	20%	100.00
Mixed Ribbons x 1,000	20%	500.00
		600.00
	VAT @ 20%	120.00
	Invoice Total	720.00

Terms: 30 days net
 VAT Reg. No. 285 0392 74

Magic Stitch
 10 High Street
 Leeds
 LS1 8WE

Invoice To:

Sew Many Things
 1 Copper Way
 Leeds
 LS1 5PT

Invoice No. 05491
Invoice Date 5.06.2015

	VAT Rate	Net
Silk Material x 20m	20%	749.50
Mixture of Threads x 50	20%	99.50
		849.00
	VAT @ 20%	169.80
	Invoice Total	1,018.80

Terms: 30 days net
 VAT Reg. No. 453 2716 34

JEN'S FABRICS
12 ORCHARD BANK
BRADFORD
BD5 2LH

Invoice To:

Sew Many Things
1 Copper Way
Leeds
LS1 5PT

Invoice No. 105672
Invoice Date 5.06.2015

	VAT Rate	Net
Material – Red Gingham x 10m	20%	89.90
Material – Blue Gingham x 10m	20%	89.90
		179.80
	VAT @ 20%	34.88
	Invoice Total	214.68

Terms: Cash discount of 3% for payment within 30 days
VAT Reg. No. 647 2684 92

Magic Stitch
10 High Street
Leeds
LS18WE

Invoice To:

Sew Many Things
1 Copper Way
Leeds
LS1 5PT

Invoice No. 05510
Invoice Date 10.06.2015

	VAT Rate	Net
Black Suede Material x 50m	20%	749.50
Mixture of Threads x 50	20%	99.50
		849.00
	VAT @ 20%	169.80
	Invoice Total	1,018.80

Terms: 30 days net
VAT Reg. No. 453 2716 34

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

SEW MANY THINGS 1 Copper Way Leeds LS1 5PT Telephone: 0113 123456		
Invoice To: Gail's Haberdashery 29 Acorn Way Harrogate HG2 8HG	Invoice No. 001 Invoice Date 04.06.2015	
	VAT Rate Net	
Mixture of Threads x 20	20%	79.80
		79.80
	VAT @ 20%	15.96
	Invoice Total	95.76
Terms: 30 days net VAT Reg. No. 123 4567 89		

SEW MANY THINGS 1 Copper Way Leeds LS1 5PT Telephone: 0113 123456		
Invoice To: Magic Stitch 10 High Street Leeds LS1 8WE	Invoice No. 002 Invoice Date 05.06.2015	
	VAT Rate Net	
Material – Red Gingham x 5m	20%	74.95
Material – Blue Gingham x 5m	20%	74.95
		149.90
	VAT @ 20%	29.98
	Invoice Total	179.88
Terms: 30 days net VAT Reg. No. 123 4567 89		

SEW MANY THINGS

1 Copper Way
Leeds
LS1 5PT

Telephone: 0113 123456

Invoice To:

Sew Classic
3 Church Street
Pontefract
WF2 9TR

Invoice No. 003

Invoice Date 08.06.2015

	VAT Rate	Net
Black Suede Material x 10m	20%	249.90
Mixture of Threads x 20	20%	79.80
		<hr/>
		329.70
	VAT @ 20%	65.94
	Invoice Total	395.64

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

SEW MANY THINGS

1 Copper Way
Leeds
LS1 5PT

Telephone: 0113 123456

Invoice To:

Gail's Haberdashery
29 Acorn Way
Harrogate
HG2 8HG

Invoice No. 004

Invoice Date 10.06.2015

	VAT Rate	Net
Mixed Ribbons x 200	20%	250.00
		<hr/>
		250.00
	VAT @ 20%	50.00
	Invoice Total	300.00

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

SEW MANY THINGS

1 Copper Way
Leeds
LS1 5PT

Telephone: 0113 123456

Invoice To:
Magic Stitch
10 High Street
Leeds
LS1 8WE

Invoice No. 005
Invoice Date 11.06.2015

	VAT Rate	Net
Material – Cotton x 10m	20%	99.90
Material – Suede x 10m	20%	99.90
		<hr/>
		199.80
	VAT @ 20%	<hr/> 39.96
	Invoice Total	<hr/> 239.76

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

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

SEW MANY THINGS

1 Copper Way
Leeds
LS1 5PT

Telephone: 0113 123456

Credit Note:
Sew Classic
3 Church Street
Pontefract
WF2 9TR

Credit Note No. CN001
Credit Note Date 11.06.2015

	VAT Rate	Net
Damaged Black Suede Material x 2m on our invoice 003	20%	49.98
		<hr/>
		49.98
	VAT @ 20%	<hr/> 9.99
	Invoice Total	<hr/> 59.97

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

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

		£
15 June	Payment received from Sew Classic direct into the bank. This relates to invoice 003 and credit note CN001.	335.67
15 June	Cheque (no. 2756) received from Gail's Haberdashery. This relates to invoice 001.	95.76

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 June	100	Cash	Petty Cash	150.00			✓
1 June	101	Computer Biz	Computer	800.00	160.00	960.00	✓
1 June	102	Leeds Chronicle	Advert	24.99	4.99	29.98	✓
3 June	103	A & C Accountants	Accountancy Fees	120.00	24.00	144.00	✓
4 June	104	Emma's Shop Supplies	Shop Displays	200.00	40.00	240.00	✓
9 June	105	Timpson's Garage	Vehicle Repairs	82.00	16.40	98.40	✓
10 June	106	Emma's Shop Supplies	Shop Fixtures	1,500.00	300.00	1,800.00	
10 June	107	Elaine Clarke	Drawings			1,000.00	
12 June	108	Jen's Fabrics	Payment to Jen's Fabrics. This relates to invoice 105647 and should be treated as a payment on account.			1,000.00	
12 June	109	Magic Stitch	Payment to Magic Stitch. This covers our invoice 002 and Magic Stitch's invoice 05463. This should therefore be processed as a contra entry.			537.72	
18 June	110	Jen's Fabrics	Payment to cover invoice 105647 in full taking into account the discount offered and allowing for the payment on account already made.			742.50	
26 June	111	Sewing Supplies (Leeds) Ltd	Calculate the payment required to pay invoice 3827 in full.				

19 June

Received notification from the Bank that a cheque received from Gail's Haberdashery for £95.76 had been returned unpaid. Process this as a returned cheque.

20 June

Cash Sales of £282.00 including VAT for haberdashery were made at a local market. £200.00 was banked into the business bank account and the remainder of £82.00 was kept by Elaine for her personal drawings.

30 June

Elaine took some material at a selling price of £24.00 plus VAT. Elaine paid for this by paying cash to the business petty cash account and this should therefore be treated as a petty cash receipt.

Produce reports at 30 June 2015:

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 1.6.2015	VAT Rate: Zero
Expense Details Window Cleaning	Amount including VAT (where applicable) £15.00
Signed	Total £15.00

Petty Cash Voucher No. PCV 2 Date 4.6.2015	VAT Rate: 20%
Expense Details Stationery	Amount including VAT (where applicable) £22.61
Signed	Total £22.61

Petty Cash Voucher No. PCV 3 Date 8.6.2015	VAT Rate: 20%
Expense Details Carriage out	Amount including VAT (where applicable) £18.90
Signed	Total £18.90

Petty Cash Voucher No. PCV 4 Date 10.6.2015	VAT Zero
Expense Details Milkman	Amount including VAT (where applicable) £8.20
Signed	Total £8.20

Petty Cash Voucher No. PCV 5 Date 12.6.2015	VAT Rate Exempt
Expense Details Postage	Amount including VAT (where applicable) £7.10
Signed	Total £7.10

Petty Cash Voucher No. PCV 6 Date 18.6.2015	VAT Rate 20%
Expense Details Window Display	Amount including VAT (where applicable) £34.99
Signed	Total £34.99

On 1 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 £150 per month, £125 being capital repayment and £25 being loan interest. Set this up and post the June payment.

26 June	Paid £220.00 including VAT to AB Computing Ltd for a new computer printer using cheque 112. This should be treated as an asset.
30 June	Paid £650.00 including VAT to Peter's Decorating Supplies for shop repairs using cheque 113. This included painting and decorating costs and should be treated as an expense.

Petty Cash Voucher PCV 4 dated 10 June should have been for £10.20 (not £8.20). 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 £1,500.00 and Elaine's drawings are £1,000.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£128.04
Employee's NIC deducted	£ 49.76
Employer's NIC	£ 52.60
Health Insurance deducted	£ 30.00

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 £300.00 and transfer this amount from the bank account.

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

LEEDS BANK PLC

Sew Many Things
1 Copper Way
Leeds
LS1 5PT

Sheet No. 1
Sort Code: 10-20-30
Account: 03756382
Telephone: 0100 200 3000
Facsimile: 0100 200 3001

STATEMENT

30 June 2015

Date	Particulars	Payments	Receipts	Balance
1 June	Opening balance		15,000.00	15,000.00
1 June	Counter Credit		5,000.00	20,000.00
3 June	100	150.00		19,850.00
6 June	101	960.00		18,890.00
8 June	102	29.98		18,860.02
8 June	103	144.00		18,716.02
8 June	104	240.00		18,476.02
12 June	105	98.40		18,377.62
15 June	106	1,800.00		16,577.62
15 June	107	1,000.00		15,577.62
15 June	Counter Credit		335.67	15,913.29
15 June	Counter Credit		95.76	16,009.05
17 June	108	1,000.00		15,009.05
17 June	109	537.72		14,471.33
17 June	110	742.50		13,728.83
19 June	Counter Credit		200.00	13,928.83
19 June	Returned Cheque	95.76		13,833.07
29 June	Standing Order	150.00		13,683.07
30 June	Cash Withdrawal	30.00		13,653.07

**Produce the following reports as at 30 June 2015:
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 Magic Stitch

Detailed Aged Debtors Analysis

Supplier Address List

Detailed Supplier Activity Report for Jen's Fabrics

Detailed Aged Creditors Analysis

Budget Reports comparing budget to actuals for the month of June

**ENSURE ALL REPORTS ARE COLLATED IN THE CORRECT ORDER WITH THE
REPORTS FROM SECTION ONE FIRST. FAILURE TO DO SO WILL RESULT
IN A DEDUCTION OF MARKS.**

THIS IS THE END OF THE QUESTION PAPER