

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 boxes 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

David Phillips has set up a new business on the 1st January 2014, **Lightcraft**, 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 ceiling lights and lamps, 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. David 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 2014. Set this as your Financial Year Start Date.

The name and address of Lightcraft is as follows:

Lightcraft
1 Kings Road
Winchester
Hampshire
SO23 2JD

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

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. David 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 – Ceiling Lights	£ 50,000	spread equally over the year
Sales – Lamps	£ 25,000	
Purchases – Ceiling Lights	£ 25,000	
Purchases – Lamps	£ 12,500	

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

Nominal Account	£
Bank	15,000.00
Petty Cash	250.00
Fixtures & Fittings	2,000.00
Computer	2,000.00

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

Carrie's Lighting 3 High Street Chichester West Sussex PO14 7EY	Silver Lighting 23 Church Street Winchester Hampshire SO23 9RB	Willis & Co. 5 Victoria Road Winchester Hampshire SO22 8KA
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Set up the following Supplier Accounts, using an appropriate account reference:

Silver Lighting 23 Church Street Winchester Hampshire SO23 9RB	The Lighting Corner 7 Park Road Guildford Surrey GU12 4TJ	Spectrum Ltd 12 Green Lane Chichester West Sussex PO12 2ND
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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 Jan	100	Cash	Petty Cash	100.00			
2 Jan	101	Mr J. Cook	Delivery Vehicle	5,000.00	1,000.00	6,000.00	
2 Jan	102	Caspers Ltd	Window Display	75.50	15.10	90.60	
3 Jan	103	Jones & Co.	Door Repair	42.50	8.50	51.00	
6 Jan	104	Computers Inc.	Printer	100.00	20.00	120.00	
8 Jan	105	Bennetts Direct	Stationery	31.29	6.25	37.54	

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

<i>Silver Lighting</i>		
23 Church Street Winchester Hampshire SO23 9RB		
Invoice To:	Invoice No. 4624	Invoice Date 2.01.2014
Lightcraft 1 Kings Road Winchester Hampshire SO23 2JD		
Mirror Chrome Ceiling Light x 10	VAT Rate 20%	Net 349.90
		<u>349.90</u>
	VAT @ 20%	69.98
	Invoice Total	<u>419.88</u>
Terms: 30 days net VAT Reg. No. 375 9521 39		

THE LIGHTING CORNER		
7 PARK ROAD GUILDFORD SURREY GU12 4TJ		
Invoice To:	Invoice No. 0694	Invoice Date 2.01.2014
Lightcraft 1 Kings Road Winchester Hampshire SO23 2JD		
Chrome Floor Lamp x 15	VAT Rate 20%	Net 374.85
Globe Lamp x 10	20%	369.90
Butterfly Lamp x 10	20%	249.90
		<u>994.65</u>
	VAT @ 20%	194.95
	Invoice Total	<u>1,189.60</u>
Terms: Cash discount of 2% for payment within 30 days VAT Reg. No. 834 1735 72		

SPECTRUM LTD

12 GREEN LANE
 CHICHESTER
 WEST SUSSEX
 PO12 2ND

Invoice To:

Lightcraft
 1 Kings Road
 Winchester
 Hampshire
 SO23 2JD

Invoice No. 06723
Invoice Date 2.01.2014

	VAT Rate	Net
Modern Chrome Ceiling Light x 10	20%	399.90
Contemporary Chrome Ceiling Light x 15	20%	674.85
		<hr/> 1,074.75
	VAT @ 20%	214.95
	Invoice Total	<hr/> 1,289.70

Terms: 30 days net
 VAT Reg. No. 471 9462 83

Silver Lighting

23 Church Street
 Winchester
 Hampshire
 SO23 9RB

Invoice To:

Lightcraft
 1 Kings Road
 Winchester
 Hampshire
 SO23 2JD

Invoice No. 4697
Invoice Date 6.01.2014

	VAT Rate	Net
Mirror Chrome Ceiling Light x 5	20%	174.95
Bouquet Lamp x 8	20%	199.92
		<hr/> 374.87
	VAT @ 20%	74.97
	Invoice Total	<hr/> 449.84

Terms: 30 days net
 VAT Reg. No. 375 9521 39

THE LIGHTING CORNER

7 PARK ROAD
GUILDFORD
SURREY
GU12 4TJ

Invoice To:

Lightcraft
1 Kings Road
Winchester
Hampshire
SO23 2JD

Invoice No. 0727
Invoice Date 6.01.2014

	VAT Rate	Net
Chrome Floor Lamp x 5	20%	124.95
Butterfly Lamp x 5	20%	124.95
		<hr/>
		249.90
	VAT @ 20%	48.98
	Invoice Total	<hr/> 298.88

Terms: Cash discount of 2% for payment within 30 days
VAT Reg. No. 834 1735 72

Silver Lighting

23 Church Street
Winchester
Hampshire
SO23 9RB

Invoice To:

Lightcraft
1 Kings Road
Winchester
Hampshire
SO23 2JD

Invoice No. 4731
Invoice Date 7.01.2014

	VAT Rate	Net
Modern Chrome Ceiling Light x 5	20%	249.95
		<hr/>
		249.95
	VAT @ 20%	49.99
	Invoice Total	<hr/> 299.94

Terms: 30 days net
VAT Reg. No. 375 9521 39

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

LIGHTCRAFT		
1 Kings Road Winchester Hampshire SO23 2JD		
Telephone: 01962 101010		
Invoice To: Carrie's Lighting 3 High Street Chichester West Sussex PO14 7EY	Invoice No. 001 Invoice Date 03.01.2014	
Mirror Chrome Ceiling Light x 5	VAT Rate 20%	Net 349.95
		349.95
	VAT @ 20%	69.99
	Invoice Total	419.94
Terms: 30 days net VAT Reg. No. 123 4567 89		

LIGHTCRAFT		
1 Kings Road Winchester Hampshire SO23 2JD		
Telephone: 01962 101010		
Invoice To: Silver Lighting 23 Church Street Winchester Hampshire SO23 9RB	Invoice No. 002 Invoice Date 03.01.2014	
Contemporary Chrome Ceiling Light x 2	VAT Rate 20%	Net 179.98
Chrome Floor Lamp x 5	20%	249.95
		429.93
	VAT @ 20%	85.98
	Invoice Total	515.91
Terms: 30 days net VAT Reg. No. 123 4567 89		

LIGHTCRAFT

1 Kings Road
Winchester
Hampshire
SO23 2JD

Telephone: 01962 101010

Invoice To:

Willis & Co.
5 Victoria Street
Winchester
Hampshire
SO22 8KA

Invoice No. 003

Invoice Date 07.01.2014

	VAT Rate	Net
Modern Chrome Ceiling Light x 4	20%	319.96
Globe Lamp x 2	20%	145.98
		<hr/>
		465.94
	VAT @ 20%	90.39
	Invoice Total	556.33

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

LIGHTCRAFT

1 Kings Road
Winchester
Hampshire
SO23 2JD

Telephone: 01962 101010

Invoice To:

Carrie's Lighting
3 High Street
Chichester
West Sussex
PO14 7EY

Invoice No. 004

Invoice Date 07.01.2014

	VAT Rate	Net
Butterfly Lamp x 5	20%	274.95
		<hr/>
		274.95
	VAT @ 20%	54.99
	Invoice Total	329.94

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

LIGHTCRAFT

1 Kings Road
Winchester
Hampshire
SO23 2JD

Telephone: 01962 101010

Invoice To:

Silver Lighting
23 Church Street
Winchester
Hampshire
SO23 9RB

Invoice No. 005

Invoice Date 10.01.2014

	VAT Rate	Net
Bouquet Lamp x 4	20%	199.96
		<hr/>
		199.96
	VAT @ 20%	39.99
	Invoice Total	239.95

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

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

LIGHTCRAFT

1 Kings Road
Winchester
Hampshire
SO23 2JD

Telephone: 01962 101010

Credit Note:

Carrie's Lighting
3 High Street
Chichester
West Sussex
PO14 7EY

Credit Note No. CN001

Credit Note Date 10.01.2014

	VAT Rate	Net
Damaged Mirror Chrome Ceiling Light x 1 on our invoice 001	20%	69.99
		<hr/>
		69.99
	VAT @ 20%	13.99
	Invoice Total	83.98

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

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

		£
10 Jan	Cheque (no. 2745) received from Carrie's Lighting. This relates to invoice 001 and should be treated as a part payment.	200.00
13 Jan	Cheque (no. 1956) received from Willis & Co. This relates to invoice 003 and allows for the discount offered.	542.36
17 Jan	Cheque (no. 2779) received from Carrie's Lighting. This relates to invoice 004 and credit note CN001.	245.96
22 Jan	Payment received from Silver Lighting direct into the Bank. This covers our invoices 002, 005 and Silver Lighting invoice 4624. This should therefore be processed as a contra entry.	335.98

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	Cash	Petty Cash	100.00			✓
2 Jan	101	Mr J. Cook	Delivery Vehicle	5,000.00	1,000.00	6,000.00	✓
2 Jan	102	Caspers Ltd	Window Display	75.50	15.10	90.60	✓
3 Jan	103	Jones & Co.	Door Repair	42.50	8.50	51.00	✓
6 Jan	104	Computers Inc.	Printer	100.00	20.00	120.00	✓
8 Jan	105	Bennetts Direct	Stationery	31.29	6.25	37.54	✓
10 Jan	106	Mason & Co.	Rent	1,400.00	280.00	1,680.00	
10 Jan	107	David Phillips	Drawings			1,000.00	
14 Jan	108	Spectrum Ltd	Payment to Spectrum Ltd, this should be treated as a payment on account.			1,000.00	
14 Jan	109	The Lighting Corner	Payment to cover invoice 0694 in full taking into account the discount offered.			1,169.71	
27 Jan	110	Spectrum Ltd	Allocate the payment on account made on 15 January to invoice 06723 and calculate the payment required to pay this invoice in full.				

20 January

Cash Sales of £240.00 including VAT for lamps were made at a local trade show. David kept £8 to pay for refreshments (zero rated for VAT) and banked the remainder.

28 January

Received notification from the Bank that a cheque received from a customer at the local trade show 20 January for £40.00 had been returned unpaid. Process this as a bad debt (ignore VAT)

31 January

David took a lamp at a selling price of £35.00 plus VAT. David paid for this by paying cash to the business and this should therefore be treated as a petty cash receipt.

Produce reports at 31 January 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.

Petty Cash Voucher No. PCV 1 Date 2.1.2014	VAT Rate: Zero
Expense Details Shop Cleaning	Amount including VAT (where applicable) £30.00
Signed	Total £30.00

Petty Cash Voucher No. PCV 2 Date 3.1.2014	VAT Rate: 20%
Expense Details Advert in Local Paper	Amount including VAT (where applicable) 28.00
Signed	Total £28.00

Petty Cash Voucher No. PCV 3 Date 7.1.2014	VAT Rate: 20%
Expense Details Stationery	Amount including VAT (where applicable) £12.20
Signed	Total £12.20

Petty Cash Voucher No. PCV 4 Date 9.1.2014	VAT Exempt
Expense Details Postage	Amount including VAT (where applicable) £17.40
Signed	Total £17.40

Petty Cash Voucher No. PCV 5 Date 10.1.2014	VAT Rate Zero
Expense Details Milkman	Amount including VAT (where applicable) £14.00
Signed	Total £14.00

Petty Cash Voucher No. PCV 6 Date 16.1.2014	VAT Rate 20%
Expense Details Door Mat	Amount including VAT (where applicable) £12.99
Signed	Total £12.99

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 28th 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.

23 Jan	Paid £64.50 including VAT for leaflet printing using cheque 111.
30 Jan	The bank loan of £10,000.00 was used to purchase a second delivery vehicle costing £9,500 including VAT, vehicle graphics costing £275.00 including VAT and vehicle tax costing £225.00 (outside the scope of VAT) This was paid by bank payment.

Petty Cash Voucher PCV 1 dated 2 January should have been for £35.00 (not £30.00). 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 David's drawings are £1,500.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£142.18
Employee's NIC deducted	£57.42
Employer's NIC	£64.61
Health Insurance deducted	£30.00

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

31 January
Identify the amount required to increase the Petty Cash to £400.00 and transfer this amount into the bank account.

The Bank Statement below was received on 31 January; reconcile it to your computer records.

HAMPSHIRE BANK PLC

Lightcraft
1 Kings Road
Winchester
Hampshire
SO23 2JD

Sheet No. 1
Sort Code: 10-20-30
Account: 01845164
Telephone: 0300 100 2000
Facsimile: 0300 100 2001

STATEMENT

29 January 2014

Date	Particulars	Payments	Receipts	Balance
2 Jan	Opening balance		15,000.00	15,000.00
2 Jan	Bank Loan		10,000.00	25,000.00
3 Jan	100	100.00		24,900.00
6 Jan	101	6,000.00		18,900.00
7 Jan	102	90.60		18,809.40
7 Jan	103	51.00		18,758.40
7 Jan	104	120.00		18,638.40
13 Jan	105	37.54		18,600.86
14 Jan	106	1,680.00		16,920.86
14 Jan	107	1,000.00		15,920.86
14 Jan	Counter Credit		200.00	16,120.86
17 Jan	108	1,000.00		15,120.86
17 Jan	109	1,169.71		13,951.15
17 Jan	Counter Credit		542.36	14,493.51
23 Jan	Counter Credit		245.96	14,739.47
23 Jan	Counter Credit		335.98	15,075.45
28 Jan	111	64.50		15,010.95
28 Jan	Counter Credit		232.00	15,242.95
28 Jan	Standing Order	350.00		14,892.95
28 Jan	Returned Cheque	40.00		14,852.95

**Produce the following reports as at 31 January 2014:
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
Detailed Bank Receipts and Payments Day Books
Customer Address List
Supplier Address List
Detailed Supplier Activity Report for Silver Lighting
Detailed Aged Debtors Analysis
Detailed Aged Creditors Analysis
Detailed Customer Activity Report for Willis & Co.
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