



**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 2012**

**QUESTION PAPER**

**Time Allowed: 2 hours**

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# 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

Alex King has set up a new business on the 1<sup>st</sup> June 2012, ***Splash Bathrooms***, 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 bathroom fittings and bathroom tiles, 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. Alex is relying on you to input the data accurately. You should ensure every transaction has a unique reference.

The business was started on 1<sup>st</sup> June 2012. Set this as your Financial Year Start Date.

The name and address of Splash Bathrooms is as follows:

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

Enter this information onto your Accounting program and, after the name Splash Bathrooms, add your Candidate number.

Set up the following Nominal Accounts, using an account reference relevant to the package you are using. Alex 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 – Bathroom Fittings	£250,000	spread equally over the year
Sales – Bathroom Tiles	£ 30,000	
Purchases – Bathroom Fittings	£200,000	
Purchases – Bathroom Tiles	£ 25,000	

The owner has introduced assets as follows:

<b>Nominal Account</b>	<b>£</b>
Bank	30,000.00
Petty Cash	500.00
Delivery Vehicle	6,000.00

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

Finest Bathrooms 17 Portland Street Manchester M2 5GL	The Bath Store 2 Charlotte Street Manchester M3 1CW	Bathroom World 28 Henry Street Manchester M3 7UT
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Set up the following Supplier Accounts, using an appropriate account reference:

Finest Bathrooms 17 Portland Street Manchester M2 5GL	Sanctuary Bathrooms 1 Fairfield Street Leeds LS2 9FD	Waterfall & Co. 3 Woodward Road Sheffield S10 8XT
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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 £	✓
1 June	100	Cash	Petty Cash	50.00			
1 June	101	Print Express	Printing	200.00	40.00	240.00	
4 June	102	Web Ads	Advertising	350.00	70.00	420.00	
5 June	103	Display World	Fixtures & Fittings	1,500.00	300.00	1,800.00	
6 June	104	Uniforms Direct	Staff Uniforms	175.00	35.00	210.00	
8 June	105	Watkins & Co.	Computer	999.99	199.99	1,199.98	

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

<b>SPLASH BATHROOMS</b>		
5 St John Street Manchester M3 6CB <b>Telephone: 0161 200 3000</b>		
<b>Invoice To:</b> Finest Bathrooms 17 Portland Street Manchester M2 5GL	<b>Invoice No.</b> <b>Invoice Date</b>	S001 01.06.2012
	VAT Rate	Net
Shower Mixers x 50	20%	2,249.50
		2,249.50
	VAT @ 20%	449.90
	Invoice Total	2,699.40
Terms: 30 days net VAT Reg. No. 123 4567 89		

<b>SPLASH BATHROOMS</b>		
5 St John Street Manchester M3 6CB <b>Telephone: 0161 200 3000</b>		
<b>Invoice To:</b> Bathroom World 28 Henry Street Manchester M3 7UT	<b>Invoice No.</b> <b>Invoice Date</b>	S002 01.06.2012
	VAT Rate	Net
Mosaic Bathroom Tiles x 200	20%	400.00
Freestanding Baths x 5	20%	499.95
		899.95
	VAT @ 20%	179.99
	Invoice Total	1,079.94
Terms: 30 days net VAT Reg. No. 123 4567 89		

# SPLASH BATHROOMS

5 St John Street  
Manchester  
M3 6CB

**Telephone: 0161 200 3000**

**Invoice To:**

The Bath Store  
2 Charlotte Street  
Manchester  
M3 1CW

**Invoice No.** S003

**Invoice Date** 04.06.2012

	VAT Rate	Net
Heated Towel Rails x 50	20%	2,499.50
Shower Enclosures x 75	20%	4,500.00
		<hr/> 6,999.50
	VAT @ 20%	<hr/> 1,329.90
	Invoice Total	<hr/> 8,329.40

Terms: Cash discount of 5% for payment received within 14 days

VAT Reg. No. 123 4567 89

# SPLASH BATHROOMS

5 St John Street  
Manchester  
M3 6CB

**Telephone: 0161 200 3000**

**Invoice To:**

Finest Bathrooms  
17 Portland Street  
Manchester  
M2 5GL

**Invoice No.** S004

**Invoice Date** 05.06.2012

	VAT Rate	Net
Italian Black Bathroom Tiles x 400	20%	600.00
Italian White Bathroom Tiles x 400	20%	600.00
		<hr/> 1,200.00
	VAT @ 20%	<hr/> 240.00
	Invoice Total	<hr/> 1,440.00

Terms: 30 days net

VAT Reg. No. 123 4567 89

# SPLASH BATHROOMS

5 St John Street  
Manchester  
M3 6CB

**Telephone: 0161 200 3000**

**Invoice To:**

Bathroom World  
28 Henry Street  
Manchester  
M3 7UT

**Invoice No.** S005

**Invoice Date** 08.06.2012

	VAT Rate	Net
Waterfall Taps x 25	20%	624.75
Sinks x 25	20%	1,249.75
		<hr/>
		1,874.50
	VAT @ 20%	374.90
	Invoice Total	<hr/> 2,249.40

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

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

# SPLASH BATHROOMS

5 St John Street  
Manchester  
M3 6CB

**Telephone: 0161 200 3000**

**Credit Note:**

Finest Bathrooms  
17 Portland Street  
Manchester  
M2 5GL

**Credit Note No.** CN001

**Credit Note Date** 11.06.2012

	VAT Rate	Net
Damaged Shower Mixers x 3 on our invoice S001	20%	134.97
		<hr/>
		134.97
	VAT @ 20%	26.99
	Invoice Total	<hr/> 161.96

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



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

<b>Finest Bathrooms</b>		
17 Portland Street Manchester M2 5GL		
<b>Invoice To:</b>	<b>Invoice No.</b>	FB 732
Splash Bathrooms 5 St John Street Manchester M3 6CB	<b>Invoice Date</b>	1.06.2012
	VAT Rate	Net
Shower Mixers x 200	20%	6,598.00
Freestanding Baths x 15	20%	1,124.85
		<u>7,722.85</u>
	VAT @ 20%	1,544.57
	Invoice Total	<u>9,267.42</u>
Terms: 30 days net		
VAT Reg. No. 264 9863 30		

<b>WATERFALL &amp; CO.</b>		
3 WOODWARD ROAD SHEFFIELD S10 8XT		
<b>Invoice To:</b>	<b>Invoice No.</b>	W 2845
Splash Bathrooms 5 St John Street Manchester M3 6CB	<b>Invoice Date</b>	1.06.2012
	VAT Rate	Net
Mosaic Bathroom Tiles x 500	20%	750.00
Italian Black Bathroom Tiles x 500	20%	500.00
Italian White Bathroom Tiles x 500	20%	500.00
		<u>1,750.00</u>
	VAT @ 20%	343.00
	Invoice Total	<u>2,093.00</u>
Terms: Cash discount of 2% for payment within 30 days		
VAT Reg. No. 453 8765 23		

## SANCTUARY BATHROOMS

1 FAIRFIELD STREET  
LEEDS  
LS2 9FD

**Invoice To:**

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

**Invoice No.** SB 1048  
**Invoice Date** 1.06.2012

	VAT Rate	Net
Shower Enclosures x 100	20%	4,500.00
Heated Towel Rails x 100	20%	3,999.00
		<u>8,499.00</u>
	VAT @ 20%	<u>1,699.80</u>
	<b>Invoice Total</b>	<b>10,198.80</b>

Terms: Net monthly account  
VAT Reg. No. 352 8754 97

## Finest Bathrooms

17 Portland Street  
Manchester  
M2 5GL

**Invoice To:**

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

**Invoice No.** FB 782  
**Invoice Date** 4.06.2012

	VAT Rate	Net
Waterfall Taps x 50	20%	1,249.50
Sinks x 30	20%	1,199.70
		<u>2,449.20</u>
	VAT @ 20%	<u>489.84</u>
	<b>Invoice Total</b>	<b>2,939.04</b>

Terms: 30 days net  
VAT Reg. No. 264 9863 30

**WATERFALL & CO.**  
3 WOODWARD ROAD  
SHEFFIELD  
S10 8XT

**Invoice To:**

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

**Invoice No.** W 2899  
**Invoice Date** 5.06.2012

	VAT Rate	Net
Mosaic Bathroom Tiles x 100	20%	150.00
White Pedestals x 20	20%	499.80
		649.80
	VAT @ 20%	127.36
	<b>Invoice Total</b>	<b>777.16</b>

Terms: Cash discount of 2% for payment within 30 days  
VAT Reg. No. 453 8765 23

**SANCTUARY BATHROOMS**  
1 FAIRFIELD STREET  
LEEDS  
LS2 9FD

**Invoice To:**

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

**Invoice No.** SB 1163  
**Invoice Date** 7.06.2012

	VAT Rate	Net
Mixer Taps x 50	20%	999.50
Heated Towel Rails x 50	20%	1,999.50
		2,999.00
	VAT @ 20%	599.80
	<b>Invoice Total</b>	<b>3,598.80</b>

Terms: Net monthly account  
VAT Reg. No. 352 8754 97

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

		£
11 June	Cheque (no. 2805) received from Bathroom World. This relates to invoice S002 and should be treated as a part payment.	500.00
14 June	Cheque (no. 967) received from The Bath Store. This relates to invoice S003 and allows for the discount offered.	7,979.43
20 June	Cheque (no. 2910) received from Bathroom World. This relates to invoice S002.	579.94

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	50.00			✓
1 June	101	Print Express	Printing	200.00	40.00	240.00	✓
4 June	102	Web Ads	Advertising	350.00	70.00	420.00	✓
5 June	103	Display World	Fixtures & Fittings	1,500.00	300.00	1,800.00	✓
6 June	104	Uniforms Direct	Staff Uniforms	175.00	35.00	210.00	✓
7 June	105	Watkins & Co.	Computer	999.99	199.99	1,199.98	✓
8 June	106	Ocean Ltd	Shop Rent	1,500.00	300.00	1,800.00	
11 June	107	Alex King	Drawings			500.00	
12 June	108	Finest Bathrooms	Payment to Finest Bathrooms. This covers our invoices S001 and credit note CN001, and Finest Bathrooms invoice FB 732. This should therefore be processed as a contra entry.			6,729.98	
12 June	109	Waterfall & Co.	Payment to cover invoice W 2845 in full taking into account the discount offered.			2,058.00	
15 June	110	Sanctuary Bathrooms	Payment to Sanctuary Bathrooms, this should be treated as a payment on account.			5,000.00	
25 June	111	Sanctuary Bathrooms	Calculate the payment required to pay the remainder of invoice SB 1048 in full, allowing for the payment on account made 15 June.				

25 June

Cash Sales of £120.00 including VAT for bathroom fittings were made to a local plumber. Alex kept £50.00 as drawings and placed the remainder in the petty cash tin.

26 June

Received notification from the Bank that a cheque received from Bathroom World for £579.94 had been returned unpaid. Process this as a returned cheque.

27 June

Alex took a heated towel rail at a selling price of £49.99 plus VAT. Alex paid for this by paying cash to the business and this should therefore be treated as a petty cash receipt.

**Produce reports at 30<sup>th</sup> June 2012:**

Trial Balance

Summary Audit Trail

Nominal Account Activity for both 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.

<b>Petty Cash Voucher No. PCV 1 Date 1.6.2012</b>	VAT Rate: Exempt
Expense Details  Postage	Amount including VAT (where applicable)  £22.40
Signed .....	Total        £22.40

<b>Petty Cash Voucher No. PCV 2 Date 1.6.2012</b>	VAT Rate: 20%
Expense Details  Fuel	Amount including VAT (where applicable)  £150.00
Signed .....	Total        £150.00

<b>Petty Cash Voucher No. PCV 3 Date 4.6.2012</b>	VAT Rate: Zero
Expense Details  Shop Cleaning	Amount including VAT (where applicable)  £20.00
Signed .....	Total        £20.00

<b>Petty Cash Voucher No. PCV 4 Date 6.6.2012</b>	VAT 20%
Expense Details Advertising	Amount including VAT (where applicable) £40.00
Signed .....	Total £40.00

<b>Petty Cash Voucher No. PCV 5 Date 11.6.2012</b>	VAT Rate Zero
Expense Details Shop Refreshments	Amount including VAT (where applicable) £15.00
Signed .....	Total £15.00

<b>Petty Cash Voucher No. PCV 6 Date 16.6.2012</b>	VAT Rate Outside the scope of VAT (T9)
Expense Details Casual Wages - Student	Amount including VAT (where applicable) £35.00
Signed .....	Total £35.00

On 1 June, a Bank Loan of £20,000 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<sup>th</sup> of each month by Standing Order. This amounts to £550 per month, £450 being capital repayment and £100 being loan interest. Set this up and post the payment.

25 June	Paid £2,500.00 including VAT for a second delivery vehicle using cheque 112. Treat this as an asset.
27 June	Paid £175.00 including VAT for shop fixtures and fittings using cheque 113. Treat this as an asset.

Petty Cash Voucher PCV 5 dated 11 June should have been for window cleaning and not shop refreshments. Make the journal entry to reflect this.

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 £1,900.00 and Alex's drawings are £1,000.00.
- The statutory and voluntary deductions have been calculated as follows:

Income Tax deducted	£397.41
Employee's NIC deducted	£159.32
Employer's NIC	£192.15
Health Insurance deducted	£ 20.00

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

29 June  
Identify the amount required to reimburse Petty Cash to £500.00 and process this transaction using cheque numbered 114.



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

## MANCHESTER BANK PLC

Splash Bathrooms  
5 St John Street  
Manchester  
M3 6CB

Sheet No. 1  
Sort Code: 10-20-30  
Account: 01834265  
Telephone: 0161 500 6000  
Facsimile: 0161 500 6001

### STATEMENT

30<sup>th</sup> June 2012

Date	Particulars	Payments	Receipts	Balance
1 June	Opening balance		30,000.00	30,000.00
1 June	Bank Loan		20,000.00	50,000.00
4 June	100	50.00		49,950.00
4 June	101	240.00		49,710.00
7 June	102	420.00		49,290.00
8 June	103	1,800.00		47,490.00
11 June	104	210.00		47,280.00
11 June	105	1,199.98		46,080.02
11 June	106	1,800.00		44,280.02
12 June	107	500.00		43,780.02
13 June	Counter Credit		500.00	44,280.02
14 June	108	6,729.98		37,550.04
14 June	109	2,058.00		35,492.04
17 June	Counter Credit		7,979.43	43,471.47
22 June	Counter Credit		579.94	44,051.41
24 June	110	5,000.00		39,051.41
26 June	Returned Cheque	579.94		38,471.47
27 June	111	5,198.80		33,272.67
28 June	Standing Order	550.00		32,722.67
28 June	112	2,500.00		30,222.67

**Produce the following reports as at 30 June 2012:  
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 Sanctuary Bathrooms  
Detailed Aged Debtors Analysis  
Detailed Aged Creditors Analysis  
Customer Statement for Bathroom World  
Budget Reports comparing budget to actuals for the month of June

**ENSURE ALL REPORTS ARE COLLATED IN THE CORRECT ORDER**