



Exam ID 331

Qualification

Level 3 Award in Computerised Bookkeeping (QCF)

(Accreditation number 500/9407/5) – IAB ID 330

Level 3 Certificate in Applied Bookkeeping (QCF)

(Accreditation number 500/9276/5) – IAB ID 340

Examination

Unit ID 331: Managing a computerised accounts system to provide management information – (R601/8080)

JUNE 2011

QUESTION PAPER

Time Allowed: 2 Hours 30 Minutes

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INTERNATIONAL ASSOCIATION OF BOOK-KEEPERS

QUALIFICATION TITLE: IAB LEVEL 3 AWARD IN COMPUTERISED BOOKKEEPING

General Information and Instructions

The following Instructions should also 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 AND THIRTY MINUTES
- 3 Printing may be carried out after completion of the two hours and thirty minutes examination time.
- 4 The use of silent non-programmable calculators is permitted.
- 5 NOTE - This Question Booklet has information and data printed on both sides of the pages.
- 6 **THE VAT RATE FOR THIS PAPER IS 20% AND THEREFORE COMPUTERS SHOULD BE SET TO 20% PRIOR TO STARTING THE QUESTION PAPER.**
- 7 **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

You are a Bookkeeper for **Will's Game Shack**, a shop based in the centre of London selling computer games and manuals run by William Carter. The freehold premises consist of the shop and living accommodation above. The business is registered for VAT (**Standard Basis**) and trades on both a credit and cash basis.

Sales are divided into 2 categories – computer games and manuals. The latter is VAT zero rated. Purchases are divided into 2 categories – computer games and manuals, the latter being VAT zero rated.

William Carter has purchased a new computer system and therefore the outstanding debtors and creditors and nominal account balances will need to be entered.

Required

1. You are required to set up the accounts on a commercial accounting package of your choice at the start of their new financial year on 1st June 2011.
2. Process the transactions for the month of June, taking into account the additional information provided.
3. Take printouts as detailed on page 8.

The following customer accounts are held in the Sales Ledger
Outstanding at 31st May 2011

Customer		Reference	Date	Gross amount
Computer World	Invoice	W 1675	30.04.2011	545.00
	Invoice	W 1698	12.05.2011	312.50
	Credit Note	CR 258	05.05.2011	46.00
Games Direct	Invoice	W 1718	22.05.2011	178.20
C.J. & Co.	Invoice	W 1687	03.05.2011	255.00

The following supplier accounts are held in the Purchase Ledger
Outstanding at 31st May 2011

Supplier		Reference	Date	Gross amount
Games Inc.	Invoice	G1473	30.04.2011	988.00
	Invoice	G1503	27.05.2011	319.00
Gem Computing Ltd	Invoice	GC 211	13.05.2011	576.50
	Invoice	GC 234	24.05.2011	124.00
	Credit Note	G CR164	18.05.2011	121.50
Acorn Ltd	Invoice	A864	18.05.2011	299.25
	Invoice	A891	21.05.2011	412.22

Nominal Account Balances, established from the previous system as at 31.05.2011

	Debit £	Credit £
Freehold Premises	125,000.00	
Delivery Vehicle at cost	5,500.00	
Delivery Vehicle Accumulated Depreciation		1,050.00
Computer Equipment at cost	8,750.00	
Computer Equipment Accumulated Depreciation		2,916.00
Debtors Control Account	1,244.70	
Stock	3,800.00	
Bank Current Account	4,564.22	
Credit Card Account		271.75
Petty Cash	450.00	
Creditors Control Account		2,597.47
VAT Liability		643.54
PAYE/NIC Liability		321.89
Deposit for Stand Hire at Exhibition in June	150.00	
Prepaid Vehicle Insurance to 30 June 2011	50.00	
Capital		127,000.00
Profit & Loss Account		14,708.27
	149,508.92	149,508.92

ADDITIONAL INFORMATION

1. Insurance of £100 is paid by Direct Debit, £75.00 relates to shop insurance and £25 relates to William's home insurance. The repayments are made by Direct Debit on 12th of each month.
2. The gas, electricity and telephone bills are all received in March, June, September and December.
 - The annual total electricity expenditure for 2010 was £1,900 and is expected to be the same in 2011.
 - The annual gas expenditure for 2010 was £3,100 and is expected to rise by 25% in 2011.
 - Telephone is expected to be £125 per month.
3. Depreciation
 - Motor vehicles 20% on a straight line basis.
 - Computer and office equipment are depreciated over 3 years based on cost. No depreciation is charged on computer equipment in the year of sale.
 - No depreciation is charged on the freehold property.

You want to begin to develop the accounts package to provide some useful analysis; William has established budget figures for sales and purchases as shown below. Enter these onto the accounts package:

Nominal Code Name	Budget figures	Comment
Sales – Computer Games	£45,000.00	spread equally over the year
Sales – Manuals	£ 5,500.00	
Purchases – Computer Games	£18,000.00	spread equally over the year
Purchases – Manuals	£ 2,100.00	

Date	Details
1 June	William introduced into the business £1,000 worth of stock and computer equipment costing £500.
1 June	Part of the business premises are sub-let to Reed Computing. Rent of £1,500 including VAT has been received by Reed Computing to cover the period 1 st June to 31 st August.

The paperwork has been batched. Enter the transactions for the month of June.

SALES INVOICES

Date	Details
2 June	Sold goods to Games Direct using invoice W 1733. This was for computer games £966.00 + VAT £183.54 (Total £1,149.54). The invoice was subject to a 5% discount if paid within 14 days.
3 June	Sold goods to Computer World using invoice W 1734. This was for manuals £245.00 and computer games £325.50 plus VAT £65.10 (Total £635.60).
8 June	Sold goods to C.J. & Co. using invoice W 1735. This was for manuals £125.00 and computer games £2,145.00 plus VAT £429.00 (Total £2,699.00)

PURCHASE INVOICES

Date	Details
3 June	Received invoice G1589 from Games Inc. This covered manuals £745.50 and computer games £3,246.25 plus VAT £649.25 (Total £4,641.00).
6 June	Received invoice GC 285 from Gem Computing Ltd for computer games £825.53 plus VAT £165.10 (Total £990.63)

RECEIPTS

Date	Details
4 June	Received cheque number 2654 for £811.50 from Computer World in settlement of our invoices W1675, W1698 and credit note CR 258.
12 June	Received cheque 6322 for £1,101.24 from Games Direct in settlement of our invoice W 1733. They took advantage of the discount offered.
15 June	Received cheque number 1768 for £200.00 from C.J. & Co. This should be treated as a payment on account.
22 June	Made cash sales of computer games £988.00 including VAT. William kept £200.00 as drawings and banked the remainder.

PETTY CASH EXPENDITURE

Date	Details
5 June	Paid £300.00 including VAT from petty cash to cover advertising in a local newspaper from 1st July to 31 st December, using voucher PC1.
10 June	Paid postage from petty cash £15.00 (VAT Exempt), using voucher PC2.

CHEQUE PAYMENTS

Date	Details
6 June	Paid cheque 176 for £1,307.00 to Games Inc. in settlement of their invoices G1473 and G1503.
12 June	Raised cheque 177 for £271.75 to pay the Credit Card balance at 31 May 2011.
18 June	Raised cheque 178 for £500.00 including VAT in respect of staff training.
26 June	Raised cheque 179 for £150.00 including VAT in respect of a new colour printer.
30 June	Drew cheque 180 to reimburse the petty cash for the month and increase the float by £50.

ONLINE PAYMENTS

16 June	Paid HM Revenue & Customs online for the May PAYE/NIC liability.
30 June	Paid HM Revenue & Customs in respect of the VAT Liability at 31 May.

CREDIT CARD PAYMENTS

Date	Details
7 June	Paid £175.00 including VAT for exhibition stand hire.
18 June	Paid £650 for public liability insurance covering from 1 st June to 31 st May 2012.

ADDITIONAL INFORMATION

Date	Details								
10 June	William replaced an old computer, cost £1,250 and accumulated depreciation £416.00, with a new one costing £2,550.00, including VAT and paid for this himself. He also took the old computer for his own use at an agreed valuation of £700.00. Any VAT implications on the disposal should be ignored.								
10 June	Was advised by the bank that cheque number 2654 for £811.50 from Computer World had been returned. This should be processed as a returned cheque.								
12 June	William took some computer games for his own use. They had cost £80 excluding VAT. William's practice is to mark up computer games by 75% to arrive at a VAT inclusive selling price.								
30 June	<p>The June wages and salaries were prepared:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Net Wages</td> <td style="text-align: right;">£645.80</td> </tr> <tr> <td>Employees NIC</td> <td style="text-align: right;">£86.53</td> </tr> <tr> <td>Employees Tax</td> <td style="text-align: right;">£153.80</td> </tr> <tr> <td>Employer's NIC</td> <td style="text-align: right;">£74.20</td> </tr> </table> <p>The net wages were paid by BACS. The tax and NICs will be sent to H.M. Revenue & Customs during July and should, therefore, be posted as a journal.</p>	Net Wages	£645.80	Employees NIC	£86.53	Employees Tax	£153.80	Employer's NIC	£74.20
Net Wages	£645.80								
Employees NIC	£86.53								
Employees Tax	£153.80								
Employer's NIC	£74.20								

30 June	Stock at 30 th June has been valued at £4,850.
30 June	It has been decided to set up a provision for doubtful debts. This should be based on 2% of outstanding debtors.
30 June	It is the company's policy to only show the total VAT liability in the accounts. Prepare and post a Journal to transfer the balances on the VAT Sales Tax Account and VAT Purchase Tax Account to the VAT Liability Account.
30 June	Process the adjustments at the end of June.

You are required to provide management reports for William and therefore you should edit the Chart of Accounts so that the following are clearly shown:

- Sales and Purchases of computer games and sales and purchases of manuals in the Profit and Loss Account
- Provision for Doubtful Debts and Profit/Loss on Asset Disposal in the Profit and Loss Account
- Provision for Doubtful Debts in the Balance Sheet.

Print the following as at 30th June 2011.

- Trial Balance
- Summary Audit Trail
- Detailed Aged Debtors and Creditors Analyses
- VAT Return for the month of June
- Budget v Actuals Report
- Profit & Loss Account for the month ended 30 June 2011
- Balance Sheet as at 30 June 2011
- Calculate the Gross Profit Margin achieved in June and write it on the Profit and Loss Account printout.

THIS IS THE END OF QUESTION PAPER