

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

**LEVEL 2 AWARD IN BOOKKEEPING &
ACCOUNTING SKILLS (COMPUTERISED)**

05528

**UNIT C3: PROCESS ROUTINE PAYMENTS & RECEIPTS
USING A COMPUTERISED SYSTEM**

SAMPLE ASSESSMENT – CANDIDATE

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

- 1 You have TEN minutes to read through this question paper before the start of the examination.
- 2 You must write the following assignment code in the appropriate boxes on the front of the Submission Cover Sheet: SAM.
- 3 You should answer **all** questions.
- 4 You should attach your printouts to the Submission Cover Sheet provided.
- 5 You **must** carry out the printing of all documents **yourself**. All printouts must contain your name.
- 6 Printing may be undertaken outside the 2 hours allowed for this examination but no amendments may be made to the text after that time has expired.
- 7 Any printouts generated that are additional to those required **must** be clearly marked as additional with a line drawn through and attached to your Submission Cover Sheet.

QCA Accreditation Number: A/601/3651

This document consists of 12 printed pages

SCENARIO

You are employed as a bookkeeper by **Barmouth Furnishings**, a business providing household furnishings and bed linen. The directors are **Rachel and Norah Barmouth**. Recently, a new computerised accounting system was installed and all the nominal opening balances and nominal transactions were transferred to the new system. The company's current financial year starts on **1 July 2010** (year ending 30 June 2011).

The bookkeeping entries up to 12 September 2010 have been dealt with, ready for you to process the remaining nominal transactions for **September 2010**.

BUSINESS DETAILS (BOLD ITEMS WILL ALREADY HAVE BEEN ENTERED BY THE TUTOR):

Business Name	Barmouth Furnishings
Address	Mayhew Avenue, Marychurch, Torquay, Devon TQ1 5HT
VAT Scheme	Standard (the VAT Reg No is 375 7811 56)
Current year starts	1 July 2010 (year ending 30 June 2011)
VAT Rates in use	17.5%, 5.0%, 0.0%, VAT Exempt and Transactions Not Involving (not liable to) VAT

Terminology - to help avoid any misunderstanding

WE MAY USE THE TERM . . .	WHICH MAY ALSO BE KNOWN AS . . .
Nominal Ledger	General Ledger containing Real, Nominal and Control Accounts
Journals	The movement of money between two or more nominal ledger accounts using Journal Entries
Recurring Entries	Amounts of money paid in or out of the Bank Current Account on a regular monthly basis in the form of Credit Transfers, Direct Debits or Standing Orders
Cash Account	Cash in Hand. We keep a separate nominal account for Petty Cash
Cash Vouchers	Used for larger items of cash paid out of and into the Cash Account and for the receipt of Cash Sales
Petty Cash Vouchers	Internal receipts for small items of cash paid out of and into the Petty Cash Account

IMPORTANT NOTES:

You are *strongly* advised to carry out the tasks in this examination paper in the order in which they appear.

You must ensure your name is shown on each report submitted for assessment.

On the next page you will find a Nominal Ledger Account listing which shows the balances of all the Nominal Ledger Accounts as at 12 September 2010. **It is important that you do not open or use any additional Nominal Ledger Accounts unless instructed to do so.**

Barmouth Furnishings

NOMINAL LEDGER LISTING AND TRIAL BALANCE AS AT 12 SEPTEMBER 2010

N/C	NAME	DR £	CR £
0030	Office Equipment	5,672.25	
0031	Office Equipment Depreciation		567.23
0040	Fixtures & Fittings	5,013.57	
0041	Fixtures & Fittings Depreciation		214.06
0050	Motor Vehicles	13,575.50	
0051	Motor Vehicles Depreciation		2,715.10
1100	Debtors Control Account	5,214.37	
1103	Prepayments		
1200	Bank Current Account		9,816.18
1220	Cash Account	97.55	
1230	Petty Cash Account	150.00	
2100	Creditors Control Account		3,781.12
2109	Accruals		
2200	Sales Tax Control Account		624.92
2201	Purchase Tax Control Account	736.79	
2210	PAYE		1,395.86
2211	NI		504.14
2220	Net Wages & Salaries		
2230	Christmas Party Fund		
2300	Loan		3,559.75
3000	Capital		15,600.00
3010	Drawings - R Barmouth	5,250.00	
3011	Drawings - N Barmouth	4,700.00	
3200	Profit & Loss Account		7,843.21
4000	Sales		33,111.25
4009	Discounts Allowed	735.50	
4400	Credit Charges (Late Payments)		
4903	Insurance Claims		750.00
4904	Rent Income		4,463.35
5000	Purchases	15,290.88	
5009	Discounts Received		113.22
7000	Gross Wages & Salaries	14,328.30	
7005	Casual Wages	120.00	
7006	Employer's NI	573.20	
7010	SSP & SMP Reclaimed		
7100	Rent & Rates	2,148.00	
7200	Heat, Light & Power	635.61	
7303	Motor Expenses & Insurance	1,439.33	
7501	Printing & Postage	140.02	
7502	Telephone, Fax & Internet	251.00	
7504	Office Consumables	270.20	
7505	Books & Newspapers	225.69	
7800	Repairs & Renewals	1,481.58	
7801	Cleaning & Laundry	186.29	
7901	Bank Charges	45.63	
7903	Loan Interest Paid	96.85	
7906	Exchange Rate Variance		
8000	Depreciation	3,496.39	
8100	Bad Debt Write Off		
8102	Bad Debt Provision		
8201	Furnishers' Association Fees		
8204	Insurance	2,832.52	
8205	Refreshments	352.37	
9998	Suspense Account		
9999	Mispostings Account		
	TOTALS	85,059.39	85,059.39

INSTRUCTIONS

Assessment
Criteria

1	<p>Open the accounting software application.</p> <p>Restore the backup file to your accounting software and set an appropriate program date.</p>	1.1
2	<p>Enter the petty cash payments and receipt on page 7.</p>	2.1, 2.2, 2.3
3	<p>Enter the cash payments and receipts on page 8.</p>	3.1, 3.3
4	<p>Enter the bank receipts and bank payments on pages 9-11 inclusive.</p> <p>The PAY number is used as the reference for all cheques received. Cheques are banked on the same day as they are received.</p>	3.1, 3.3
5	<p>Set up and process the following recurring entries:</p> <p>(a) Rent: received from St Martin's School for building rental on 25th of each month by credit transfer. The monthly receipt is £560.00 (£476.60 Net and £83.40 VAT at 17.5%). Analyse this transaction to the Rent Income Account.</p> <p>(b) Loan repayment: pay Trust Finance Co Ltd a total of £482.40 by standing order. The payment is made on the 22nd of each month and includes £32.40 loan interest. The loan repayment is not liable to VAT and loan interest is VAT Exempt. Analyse this recurring entry to the Loan Account and Loan Interest Paid Account.</p> <p>(c) Insurance: pay Tudor Insurance plc £185.36 monthly by direct debit on the 18th of each month. This transaction is VAT Exempt. Analyse this transaction to the Insurance Account.</p> <p>(d) Electricity: pay Western Green Power by direct debit on 26th of each month. The monthly payment is £185.50 (£176.67 Net and £8.83 VAT at 5%). Analyse this transaction to the Heat, Light & Power Account.</p>	3.2

**Assessment
Criteria**

- 6** Four errors have been found relating to the September accounts. Please correct these errors. 4.1
- (a) The bank payment, reference **323**, dated 1 September 2010, has been posted using an incorrect nominal code and date. The nominal code should be **4904** not 4903 and the transaction should be dated **11 September 2010**.
- (b) The cash payment dated **12 September 2010** for **£35.90 Net, £6.28 VAT and £42.18 Gross** should have been posted to the **Petty Cash Account**. The reference should be **542** instead of 4219.
- (c) The transaction reference **6247**, dated **2 September 2010** has been entered with an incorrect tax code and amount. The tax code should be **Exempt** instead of the standard rate of 17.5% and the amount should be **£297.00 Net, £0.00 VAT and £297.00 Gross** and not £252.77 Net, £44.23 VAT and £297.00 Gross.
- (d) The transaction with reference **6249**, dated **9 September 2010** has been entered with an incorrect amount. The amount should be **£860.34 Net, £150.56 VAT and £1,010.90 Gross** and not £732.20 Net, £128.14 VAT and £860.34 Gross.
- 7** Restore and increase the petty cash float to **£200.00**, using the cheque number sequence already in use and date the transfer **30 September 2010**. 2.1
- 8** Process the following salary journal for September 2010, clearly showing the entry for Gross Wages & Salaries, using the following information. Date the journal **23 September 2010** and use **Sept Sal** as the reference. 5.1
- The monthly Net Wages and Salaries will be paid by BACS on 27 September 2010 and the monthly PAYE and NI will not be sent to HM Revenue & Customs until mid October.
- | | |
|----------------------|------------------|
| Net Wages & Salaries | £4,215.80 |
| PAYE | £1,475.53 |
| Employees' NI | £632.37 |
| Employer's NI | £347.82 |
| Christmas Party Fund | £105.40 |

		Assessment Criteria
9	Carry out a bank reconciliation of the main Bank Current Account, as at 30 September 2010 , using the Bank Statement provided on page 12 .	6.1
	Update the bank and other nominal ledger accounts in respect of any items (adjustments) on the bank statement which have not already been processed and flag all transactions as reconciled.	6.1, 6.2
	Please note: all bank statement adjustments are transactions that do not involve VAT.	
10	Print the following reports.	7.1
	Please note: all printouts should be assembled in the requested order. Do not staple reports together.	
	(a) A Trial Balance as at 30 September 2010 . Number it P1 .	
	(b) A Summary Audit Trail showing ALL transactions. Number it P2 .	
	(c) A Bank Statement to show ALL reconciled transactions as at 30 September 2010 . Number it P3 .	
	(d) A Detailed 1200 Bank Payments Day Book Report for September 2010 . Number it P4 .	
	(e) A Detailed 1200 Bank Receipts Day Book Report for September 2010 . Number it P5 .	
	(f) A Nominal Activity Report for the 1230 Petty Cash and 1220 Cash Accounts, showing ALL transactions as at 30 September 2010 . Number it P6 .	
11	Ensure all data is secure and exit from the accounting software application.	

TASK 2: Petty Cash Vouchers

Petty Cash Voucher	No: 543		
	Date: 13 Sept 2010		
PAYMENT	£	p	
<i>Light bulbs</i> (includes VAT @ 17.5%)	6	48	
<i>3 pkts rewrite CDs</i> (includes VAT @ 17.5%)	17	42	
(Office Consumables)			
VAT receipt attached			
	23	90	
Signature <i>G Hemmings</i> Passed by Rachel Barmouth			

Petty Cash Voucher	No: 544		
	Date: 16 Sept 2010		
PAYMENT	£	p	
<i>Stamps</i> (VAT Exempt) (Printing & Postage)	37	50	
<i>The Furnishing Monthly</i> (zero rated VAT) (Books & Newspapers)	24	30	
VAT receipt attached			
	61	80	
Signature <i>S Florina</i> Passed by Rachel Barmouth			

Petty Cash Voucher	No: 545		
	Date: 21 Sept 2010		
PAYMENT	£	p	
<i>Tea and coffee</i> (zero rated VAT) (Refreshments)	5	32	
<i>Chocolate biscuits</i> (includes VAT @ 17.5%) (Refreshments)	2	60	
VAT receipt attached			
	7	92	
Signature <i>H Manners</i> Passed by Rachel Barmouth			

Petty Cash Voucher	No: VR43		
	Date: 18 Sept 2010		
RECEIPT	£	p	
<i>Use of photocopier -</i> <i>K Jennings</i> (includes VAT @ 17.5%) (Printing & Postage)	7	45	
	7	45	
Signature <i>K Jennings</i> Passed by Rachel Barmouth			

TASK 3: Cash Vouchers

Barmouth Furnishings		
Cash Voucher	No: R24 Date: 22 Sept 2010	
RECEIPT	£	p
Cash Sale - 5 Packs fitted sheets @ £9.75 each	48	75
(Sales)		
17.5% VAT		
	48	75
Signature <i>H Manners</i> Passed by John Webb		
VAT Reg No 375 7811 56		

Barmouth Furnishings		
Cash Voucher	No: R25 Date: 25 Sept 2010	
RECEIPT	£	p
Sale of shop fittings (no longer required)	157	50
(Fixtures & Fittings)		
17.5% VAT		
	157	50
Signature <i>H Manners</i> Passed by John Webb		
VAT Reg No 375 7811 56		

Barmouth Furnishings		
Cash Voucher	No: 4220 Date: 26 Sept 2010	
PAYMENT	£	p
Drawings taken by R Barmouth (not liable to VAT)	150	00
(Drawings – R Barmouth)		
	150	00
Signature <i>H Manners</i> Passed by John Webb		
VAT Reg No 375 7811 56		

Barmouth Furnishings		
Cash Voucher	No: 4221 Date: 27 Sept 2010	
PAYMENT	£	p
Advertising brochures (zero rated VAT)	77	80
(Printing & Postage)		
	77	80
Signature <i>H Manners</i> Passed by John Webb		
VAT Reg No 375 7811 56		

TASK 4: Bank Receipts

PAY No: 324	National Banking plc 39-28-71	
	8 Bank Street, Pound Hill Crawley RH10 4GT	Date: 14 Sept 2010
Received and banked on 16 Sep 2010	Pay <u>Barmouth Furnishings</u>	£ 974.14
Not liable to VAT	<u>Nine hundred and seventy four</u>	
		<u>pounds 14p</u>
	Cheque No 0015492 Sort Code 392871 Account No 00418934	
Cheque details: Building damage insurance claim (Insurance Claims)		

PAY No: 325	FIRST PLYMOUTH BANK PLC 89-29-79	
	6 The Parade, Plymouth PL1 4XD	Date: 18 Sept 2010
Received and banked on 20 Sept 2010	Pay <u>Barmouth Furnishings</u>	£ 2,467.50
Includes 17.5% VAT	<u>Two thousand, four hundred and</u>	
		<u>sixty seven pounds 50p</u>
	Cheque No 020559 Sort Code 892979 Account No 0034934	
Cheque Details: Matching settee and chair covers (Sales)		

PAY No: 326	Trust House Bank plc 83-28-71	
	4 High Street, Torquay, Devon TQ1 5FR	Date: 21 Sept 2010
Received and banked on 25 Sept 2010	Pay <u>Barmouth Furnishings</u>	£ 1,648.43
Includes 17.5% VAT	<u>One thousand, six hundred and</u>	
		<u>Forty eight pounds 43p</u>
	Cheque No 001578 Sort Code 832871 Account No 00148934	
Cheque Details: Rent of office space (Rent Income)		

PAY No: 327 Received and banked on 25 Sept 2010	KRBC plc 40-86-72 1 Maynard Street, Penzance TR14 6RG	Date: 24 Sept 2010
	Pay <i>Barmouth Furnishings</i> <i>Eight hundred and seventy five</i> <i>Pounds 42p</i>	£ 875.42 Laycock Ltd S OLDRIDGE
Includes 17.5% VAT	Cheque No Sort Code Account No 003286 408672 0062457	
Cheque details: Purchase returns refund (Purchases)		

PAY No: 328 Received and banked on 27 Sept 2010	EXETER BANK PLC 52-91-00 2 The Leats, Exeter, Devon EX1 6FF	Date: 25 Sept 2010
	Pay <i>Barmouth Furnishings</i> <i>Ninety five pounds 37p</i>	£ 95.37 SW Gas Supplies L Mooney
Includes 5% VAT	Cheque No Sort Code Account No 01899 529100 0946821	
Cheque Details: Gas supply overcharge (Heat, Light & Power)		

PAY No: 329 Received and banked on 30 Sept 2010	HM REVENUE & CUSTOMS 24-91-75 Portcullis House, Cardiff CF2 7GC	Date: 29 Sept 2010
	Pay <i>Barmouth Furnishings</i> <i>Four hundred and fifty pounds only</i>	£ 450.00 Treasurer C Bayliss
Not liable to VAT	Cheque No Sort Code Account No 008567 249175 00648149	
Cheque Details: Employer's NI Refund (Employer's NI)		

TASK 4: Bank Payments

Date: 13 Sept 2010
Pay: <i>K Harris</i>
(Casual Wages)
£ 236.65
Chq No: 6252
Cheque details: Temporary warehouse staff – casual wages
Not liable to VAT

Date: 17 Sept 2010
Pay: <i>Dales Garage Ltd</i>
(Motor Expenses & Insurance)
£ 575.95
Chq No: 6253
Cheque details: Vehicle servicing
Includes 17.5% VAT

Date: 18 Sept 2010
Pay: <i>HM Revenue & Customs</i>
(PAYE) and (NI)
£ 1,900.00
Chq No: 6254
Cheque details: August payment of PAYE £1,395.86 and NI £504.14
Both transactions are not liable to VAT

Date: 23 Sept 2010
Pay: <i>Jennings Supplies</i>
(Office Equipment) and (Office Consumables)
£ 481.70
Chq No: 6255
Cheque Details: Printer £462.50 A4 paper £19.20
Both transactions include 17.5% VAT

Date: 26 Sept 2010
Pay: <i>Cotton Covers Co</i>
(Purchases)
£ 2,557.49
Chq No: 6256
Cheque Details: King size cotton duvet covers
Includes 17.5% VAT

Date: 30 Sept 2010
Pay: <i>S Devon Council</i>
(Rent & Rates)
£ 1,956.75
Chq No: 6257
Cheque Details: Six months rates on warehouse
Not liable to VAT

TASK 9: Bank Statement**BSR Bank plc**

14 High Street
Torquay
Devon TA1 4FR

STATEMENT OF ACCOUNT

Branch Code 21-29-87
Account No 1763986
Statement Date 30 Sept 2010
Page No 53

Barmouth Furnishings
Mayhew Avenue
Marychurch
Torquay, Devon
TQ1 5HT

Date 2010	Details	Debits Withdrawals	Credits Deposits	Balance DR = Overdrawn
31 Aug	Balance brought forward			3,721.76 DR
01 Sept	DEP 321		1,965.43	1,756.33 DR
01 Sept	CHQ 6245	24.16		1,780.49 DR
02 Sept	DEP 322		1,094.91	685.58 DR
02 Sept	CHQ 6244	142.88		828.46 DR
03 Sept	CHQ 6243	162.50		990.96DR
04 Sept	CHQ 6240	4,236.90		5,227.86 DR
05 Sept	CHQ 6246	190.57		5,418.43 DR
06 Sept	CHQ 6241	1,000.00		6,418.43 DR
07 Sept	CT SSP Reclaimed		79.43	6,339.00 DR
08 Sept	CHQ 6242	276.64		6,615.64 DR
10 Sept	DD Motor vehicle insurance	37.50		6,653.14 DR
11 Sept	DEP 323		881.25	5,771.89 DR
11 Sept	CHQ 6248	673.03		6,444.92 DR
16 Sept	DEP 324		974.14	5,470.78 DR
17 Sept	DD Sureline Internet rental	16.95		5,487.73 DR
18 Sept	DD Tudor Insurance plc	185.36		5,673.09 DR
19 Sept	CHQ 6252	236.65		5,909.74 DR
20 Sept	DEP 325		2,467.50	3,442.24 DR
21 Sept	CHQ 6253	575.95		4,018.19 DR
22 Sept	SO Trust Finance Co Ltd	482.40		4,500.59 DR
24 Sept	SO Furnishers' Association Fees	32.80		4,533.39 DR
25 Sept	DEP 326		1,648.43	2,884.96 DR
25 Sept	CT St Martin's School		560.00	2,324.96 DR
25 Sept	DEP 327		875.42	1,449.54 DR
26 Sept	DD Western Green Power	185.50		1,635.04 DR
27 Sept	DEP 328		95.37	1,539.67 DR
27 Sept	BACS Wages & Salaries	4,215.80		5,755.47 DR
30 Sept	CT Bank charges refund		25.50	5,729.97 DR
		Total Debits	Total Credits	Balance
		12,675.59	10,667.38	5,729.97 DR

CHQ = cheque; DEP = deposit; SO = standing order; DD = direct debit; CT = credit transfer; BC = bank charges
BACS = bankers' automated clearing services; BGC = bank giro credit