

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			



General Certificate of Education  
 June 2004  
 Advanced Subsidiary Examination



**ACCOUNTING**  
**Unit 3: Financial Accounting:**  
**Determination of Income**

**ACC3**

Thursday 10 June 2004 Afternoon Session

**No additional materials are required.**  
 You may use a calculator.

Time allowed: 1 hour

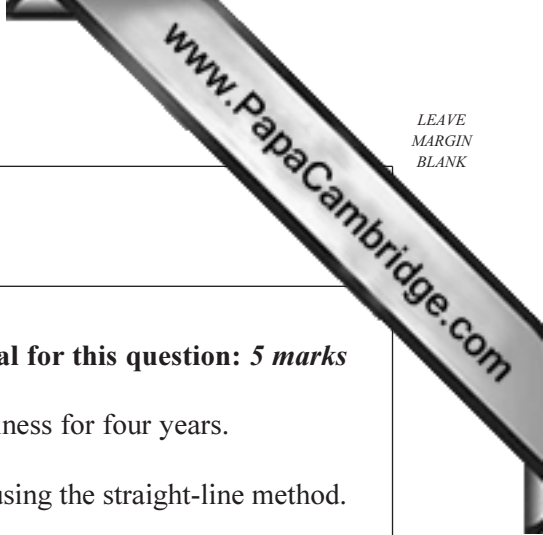
**Instructions**

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions in the spaces provided.
- All workings must be shown and clearly labelled; otherwise marks for method may be lost.
- Make and state any necessary assumptions.
- Do all rough work in this book. Cross through any work you do not want marked.
- **At the very start of the examination**, tear along the perforations on page 7 in order to detach the information you will need for **Question 4**.

**Information**

- The maximum mark for this paper is 80. This includes up to 4 marks for the Quality of Written Communication.
- Mark allocations are shown in brackets.
- You will be assessed on your ability to use an appropriate form and style of writing, to organise relevant information clearly and coherently, and to use specialist vocabulary, where appropriate. The degree of legibility of your handwriting and the level of accuracy of your spelling, punctuation and grammar will also be taken into account.

For Examiner's Use			
Number	Mark	Number	Mark
1			
2			
3			
4			
Total (Column 1)	→		
Total (Column 2)	→		
Quality of Written Communication			
TOTAL			
Examiner's Initials			



Answer **all** questions in the spaces provided.

1

**Total for this question: 5 marks**

Jack Myers sold a van for £3500. The van had been used in Jack’s business for four years.

The van had cost £18 000 and had been depreciated at 20% per annum using the straight-line method.

**REQUIRED**

(a) Calculate the profit or loss on disposal of the van.

.....

.....

*(4 marks)*

*Workings* .....

.....

.....

.....

.....

.....

(b) State how the answer to (a) should be treated in the profit and loss account.

.....

.....

.....

*(1 mark)*

5



3

Total for this question: 27 marks

The following trial balance has been extracted from the books of account of Siobhan Huggett on 30 April 2004.

	£	£
Vehicles at cost	160 000	
Fixtures and fittings at cost	85 000	
Provisions for depreciation		
vehicles		80 400
fixtures and fittings		21 000
Provision for doubtful debts		310
Stock 1 May 2003	7 800	
Debtors and creditors	9 000	7 150
Purchases and sales	149 400	293 100
Wages and general expenses	116 200	
Business rates	13 510	
Bad debts	750	
Bank balance		11 450
Drawings	18 500	
Capital		146 750
	<u>560 160</u>	<u>560 160</u>

#### Additional information and instructions

- (1) At 30 April 2004 stock had been valued at cost, £8700. However, Siobhan believes that it could be sold for £11 500.
- (2) No adjustment has been made for goods taken from the business by Siobhan, cost price £3000, for her private use.
- (3) On 17 January 2004 Siobhan purchased fixtures for £23 000. This amount is included in the purchases figure on the trial balance.
- (4) Wages and general expenses accrued and due at 30 April 2004 amounted to £1600.
- (5) Business rates paid in advance on 30 April 2004 amounted to £180.
- (6) Depreciation is to be provided on the value of fixed assets held at the financial year end as follows:
  - fixtures and fittings 10% straight line;
  - vehicles 40% reducing balance.
- (7) Provision for doubtful debts is to be maintained at 3% on debtors outstanding at the financial year end.





**Tear along the perforations to remove this page**

**INFORMATION FOR USE WITH QUESTION 4 ON PAGES 9–11**

The following balances have been extracted from the books of account of Pafftol Ltd **after** a draft trading and profit and loss account was prepared for the year ended 31 March 2004.

	£
Issued share capital:	
ordinary shares £1 each fully paid	500 000
7% debentures (2015-2018)	400 000
Plant and machinery at cost	1 420 000
Vehicles at cost	710 000
Provisions for depreciation:	
plant and machinery	192 000
vehicles	150 000
Net profit for the year	676 000
Profit and loss account 1 April 2003	439 000
Bank balance (debit)	113 600
General reserve	250 000
Share premium account	100 000
Stock 31 March 2004	211 000
Debtors	24 900
Creditors	16 500
Interim ordinary dividend paid	30 000

**Additional information and instructions**

The following have not been included in the balances shown above:

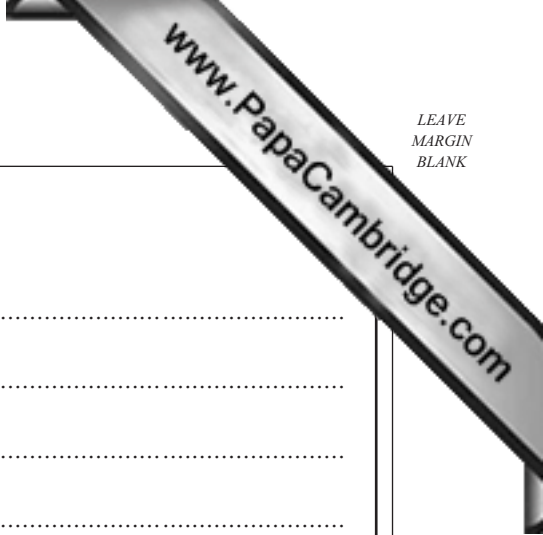
- (1) directors' fees £200 000;
- (2) debenture interest paid £14 000;
- (3) debenture interest accrued £14 000;
- (4) proposed ordinary dividend £60 000;
- (5) corporation tax payable £102 000;
- (6) transfer to general reserve £50 000.

**NO QUESTIONS APPEAR ON THIS PAGE**

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(b) Prepare a balance sheet as at 31 March 2004.

A large rectangular box containing 25 horizontal dotted lines for writing the balance sheet. The lines are evenly spaced and extend across most of the width of the box.

*(23 marks)*



**THERE ARE NO QUESTIONS PRINTED ON THIS PAGE**

