

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

Examiner's Initials	
Question	Mark
1	
2	
3	
4	
TOTAL	



General Certificate of Education
Advanced Subsidiary Examination
January 2010

Accounting

ACCN2

Unit 2 Financial and Management Accounting

Wednesday 20 January 2010 9.00 am to 10.30 am

You will need no other materials.
You may use a calculator.

Time allowed

- 1 hour 30 minutes

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Answers written in margins or on blank pages will not be marked.
- 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 to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.
Four of these marks will be awarded for:
 - using good English
 - organising information clearly
 - using specialist vocabulary where appropriate.



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

Total for this question: 10 marks

- 1** Mushtaq is a sole trader. The following information was extracted from his ledger accounts at 1 December 2008:

	£
motor vehicles at cost	38 000
provision for depreciation	18 000

During the year ended 30 November 2009, Mushtaq sold a vehicle for £4800. This vehicle had originally cost £9000 and had been depreciated by £5000.

Mushtaq also purchased a new vehicle costing £14 000.

His policy is to depreciate all vehicles at the rate of $33\frac{1}{3}\%$ per annum using the reducing balance method.

REQUIRED

- 1 (a)** Calculate the profit or loss on the sale of the vehicle.

.....

.....

.....

.....

.....

.....

.....

.....

(3 marks)



.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(9 marks)

9

Turn over for the next question

Turn over ▶



Total for this question: 31

3

TeeGreen Ltd owns and operates a number of golf shops. The trainee accountant has prepared a draft profit and loss account for the year ended 31 December 2009. She is unsure of the treatment of the following.

- (1) T Ickem Certified Accountants audit the accounts and give tax advice. The fees for the year ended 31 December 2009 are estimated to be £5000. This has not been included in the draft accounts.
- (2) TeeGreen Ltd has recently received golf clubs on a sale or return basis. The directors have not decided whether these golf clubs will be purchased. The total cost price of the clubs is £10 000. The golf clubs have been included in the year end stock-take and valued at the cost price.
- (3) Part of one shop is rented out to a bicycle repair business. TeeGreen Ltd is owed rent of £2000 at 31 December 2009. This has not been included in the draft final accounts.
- (4) TeeGreen Ltd purchased new fixtures and fittings costing £27 500 during the year. These have been included in fixed assets and have been depreciated at a rate of 10% per annum using the straight-line method. The suppliers charged £750 for delivery of the fixtures and fittings and this has been added to carriage inwards.
- (5) Included in the closing stock were golf bags at a cost price of £2000. They would normally sell for £4000. However, they have been damaged and can only be sold for £1500.



REQUIRED

- 3 (a) Complete the table below. For each item, state a relevant accounting concept and the effect any adjustment would have on the net profit. The first item has been completed for you.

Item	Effect on profit	Concept
(1) <i>Audit and tax fees</i>	<i>(5000)</i>	<i>Accruals</i>
(2) Golf clubs on sale or return		
(3) Rent		
(4) Fixtures and fittings		
(5) Stock		

*(11 marks)**Workings*

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Question 3 continues on the next page**Turn over ▶**

Total for this question: 30

4 The directors of Clim Ping Ltd are concerned that, despite making a net profit of £358 650, the business has a large overdraft. The following information has been extracted from the final accounts at 31 December 2009.

	£
Closing stock	225 040
Trade debtors	365 400
Bank overdraft	277 750
Trade creditors	154 600

REQUIRED

4 (a) (i) Calculate the net current asset ratio (current ratio). State the formula used.

Formula

.....

.....

.....

Calculation

.....

.....

.....

.....

(4 marks)



4 (a) (ii) Calculate the liquid capital ratio (acid test ratio). State the formula used.

Formula

.....
.....
.....

Calculation

.....
.....
.....
.....

(4 marks)

Question 4 continues on the next page

Turn over ▶



.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

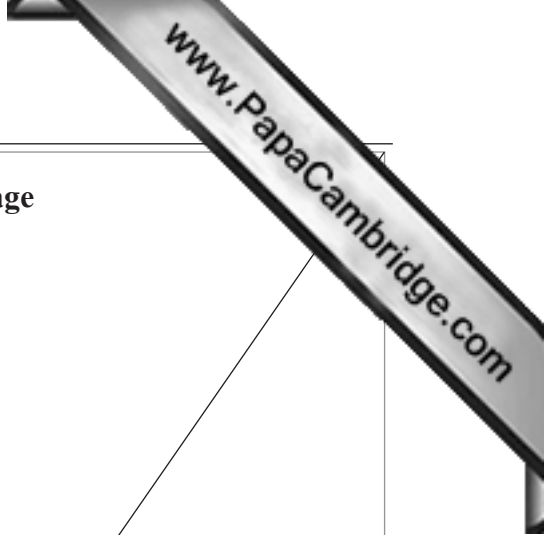
.....

(8 marks)

30

END OF QUESTIONS

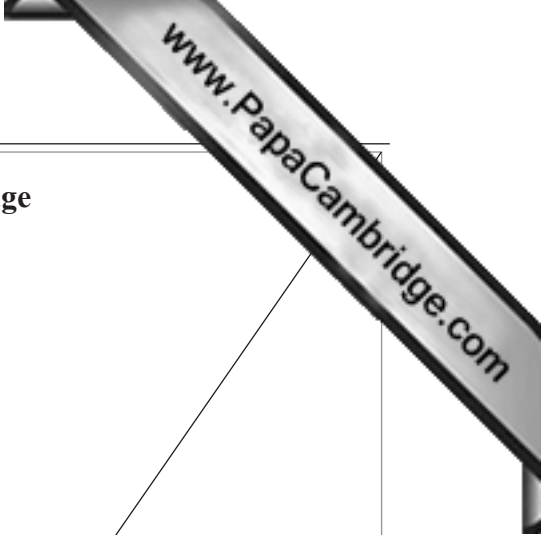




There are no questions printed on this page

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**





There are no questions printed on this page

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**

