

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**LEVEL 2 CERTIFICATE IN BOOKKEEPING AND  
ACCOUNTING SKILLS**

**05529**

**UNIT M10: MAINTAINING THE JOURNAL**

**SAMPLE ASSESSMENT**

**TIME: 2 HOURS**

**INSTRUCTIONS TO CANDIDATES**

- 1 You have TEN minutes to read through this assignment before the start of the assessment.
- 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 must use the answer booklet provided and attach your completed answer booklet to the Submission Cover Sheet.
- 5 Please write your answers clearly as you may incur errors for untidy work.
- 6 Answers should be written in ink or ballpoint pen.
- 7 Calculators may be used.
- 8 Correction fluid may be used.

Ofqual Qualification Reference Number: T/600/8772

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**This assignment consists of 9 printed pages and 1 blank page**

There are two parts to this assignment. Part 1 starts below and Part 2 starts on page 6.

### Part 1 – Open new ledger accounts and correct errors using the journal

You are required to record the assets, liabilities and capital of Marcella Lane who, after being in business for some years without keeping proper records, has now decided to keep a set of double entry books. On 1 February 2011, she establishes that her assets and liabilities are as follows:

	£
<b>Debtors</b>	
Dark To Light	1,746.24
Brian Haywood	4,871.99
<b>Creditors</b>	
Lamps Alight	2,846.15
Elegant Interiors	4,783.75
<b>Nominal Accounts</b>	
Purchases	10,536.27
Purchase returns	425.93
Sales	24,835.12
Sales returns	356.04
Bank	28,468.62
Cash	624.50
Discount allowed	248.64
Discount received	311.85
General expenses	1,735.73
Shop fittings	8,468.35
VAT liability	2,859.77

		<b>Assessment Criteria</b>
<b>1</b>	Enter the correct title and column headings for the journal.	1.1
<b>2</b>	Prepare journal entries for assets, liabilities and capital with a suitable narration, to open the books of Marcella Lane.	1.1
<b>3</b>	Enter the account opening balances in the purchase, sales and nominal ledgers.	1.2
<b>4</b>	From the information in each of the documents and emails on <b>pages 3 – 5</b> , prepare journal entries as at 28 February 2011 with narratives which identify the types of error.	2.1, 2.2, 2.3, 4.1
<b>5</b>	Enter the journal entries into the double entry accounts and create any new accounts that may be required.	2.1, 4.2
<b>6</b>	Balance the double entry accounts where necessary.	
<b>7</b>	Enter the correct title and month end date of the trial balance and enter column headings.	2.4
<b>8</b>	Enter balances into the correct columns and total the trial balance.	2.4

Marcella Lane  
Mount House  
MARAZION  
Penzance  
TR24 7FA

Telephone 01736 9743  
VAT Reg No 857 3509 21

### CREDIT NOTE

Brian Haywood  
Mount Hotel  
Marazion  
Penzance  
TR24 4HY

Credit Note: CR835

Date: 26 January 2011

Quantity	Description	Unit price £	£
10	Art Deco standard lamps – glass shades (design not as ordered)	95.35	953.50
	VAT @ 20%		953.50 190.70
			1,144.20
	<div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><i>Note:</i></p> <p><i>This credit note has been overlooked and completely omitted from the accounts.</i></p> </div>		

**ELEGANT INTERIORS**  
**The Promenade**  
**PENZANCE**  
**Cornwall**  
**TA23 9SW**

Telephone 01736 3567  
VAT Reg No 824 6644 13

**INVOICE**

Marcella Lane  
Mount House  
MARAZION  
Penzance  
TR24 7FA

Invoice: 8649

Date: 26 January 2011

Quantity	Description	Unit price £	£
15	Adjustable multiple blue LED	135.36	2,030.40
20	4ft Fluorescent tube with diffuser	12.50	250.00
			2,280.40
	VAT @ 20%		456.08
			2,736.48
	<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p><i>Note:</i></p> <p><i>This invoice was correctly entered in the nominal accounts but posted to the account of Lamps Alight in error.</i></p> </div>		

## Emails

<b>From:</b> Accountant	<b>Subject:</b> Calculation errors	<b>Received:</b> 29/01/2011 14:30
<b>From:</b> <a href="mailto:jhill@johnhill.net">jhill@johnhill.net</a>		
<b>To:</b> <a href="mailto:bookkeeper@mlane.freetime.co.uk">bookkeeper@mlane.freetime.co.uk</a>		
<b>Subject:</b> Sales and Purchase Accounts calculation errors		
<p>It has been discovered that both the Sales and Purchase Accounts have been overcast by £450.00. Please correct this error.</p>		

<b>From:</b> Accountant	<b>Subject:</b> Dark To Light	<b>Received:</b> 27/01/2011 09:57
<b>From:</b> <a href="mailto:jhill@johnhill.net">jhill@johnhill.net</a>		
<b>To:</b> <a href="mailto:bookkeeper@mlane.freetime.co.uk">bookkeeper@mlane.freetime.co.uk</a>		
<b>Subject:</b> Bankruptcy/Partial Settlement		
<p>I have received notice that Dark To Light, a customer, has been declared bankrupt owing £1,746.24. Cash of £700.00 has been received in full settlement of the debt. The remainder is to be written off as a bad debt.</p>		

## Part 2 Suspense Accounts

At the end of each month, you are required to prepare a trial balance. When the trial balance totals do not agree it is your responsibility to raise a suspense account.

On 30 April 2011, you extracted the following balances from the books of John Sawle.

	£
Sales	12,009.56
Purchases	7,872.40
Sales returns	239.30
Purchase returns	310.74
Office equipment	5,892.00
Rent received	894.38
Debtors	6,324.58
Creditors	4,437.05
Gross wages & salaries	6,824.12
Employers' NI	589.54
Plant & machinery	14,845.60
Rent	1,689.36
VAT liability	827.44
PAYE & NI	968.08 CR
Charity payments (GAYE)	490.00 CR
Bank overdraft	3,945.20
Cash	356.24
Capital	19,570.06

		Assessment Criteria
<b>1</b>	Enter the correct title, date and column headings to prepare a trial balance	3.1
<b>2</b>	Enter balances from the list above into correct columns.	3.1
<b>3</b>	Total the trial balance.	3.1
<b>4</b>	Enter the amount of any difference between the two columns of the trial balance into a suspense account.	3.1
<b>5</b>	After further inspection of the ledgers and from information recently received, errors and omissions have been discovered. From the information in each of the documents and emails on <b>pages 7 – 9</b> , prepare journal entries as at 30 April 2011 with suitable narrations.	3.2, 5.1
<b>6</b>	Write up the suspense account to include any entries arising from the correction of errors.	3.3
<b>7</b>	Balance the suspense account.	3.3
<b>8</b>	Enter the correct title, date and column headings to prepare a revised trial balance.	3.4
<b>9</b>	Enter the adjusted account balances into the correct columns.	3.4, 5.1
<b>10</b>	Total the revised trial balance.	3.4

J o h n S a w l e  
5 Q U E E N A N N E ' S B A T T E R Y  
C O X S I D E  
P L Y M O U T H  
P L 1 7 U J

Telephone 01526 9742  
VAT Reg No 158 9456 33

I N V O I C E

Frank Marshall Ltd  
The Fish Cellars  
Looe  
Cornwall  
PL14 6DA

Invoice:

5724

Date:

22 April 2011

Quantity	Description	Unit price £	£
8 packs	Bronze barrel swivels	10.39	83.12
12 reels	Tournament monofilament	7.35	88.20
24	Jelly lure kit	8.99	215.76
VAT @ 20%			387.08 77.41
			464.49
<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p><i>Note:</i></p> <p><i>This invoice was posted to the debit side of all accounts.</i></p> </div>			

**JOHN BENNETTS  
5 THE HARBOUR  
BUDE  
CORNWALL  
PL11 8UJ**

Telephone 01376 8673  
VAT Reg No 745 2478 39

**CREDIT NOTE**

John Sawle  
5 Queen Anne's Battery  
COXSIDE  
Plymouth  
PL1 7UJ

Credit Note: CN354

Date: 28 April 2011

Quantity	Description	Unit price £	£
5	Green medium duty trawl netting 100 mesh X 80mm	25.00	125.00
3	Polystyrene dhan float (damaged in transit)	11.34	34.02
	VAT @ 20%		159.02
			31.80
			190.82
	<p><i>Note:</i></p> <p><i>This credit note was entered correctly in the nominal ledger accounts but entered as £910.82 debit in the personal account.</i></p>		



## Emails

<b>From:</b> Finance	<b>Subject:</b> Sales Ledger	<b>Received:</b> 29/04/11 11:45
<b>From:</b> headfinance@jsawle.co.uk <b>To:</b> accounts@jsawle.co.uk		
<b>Subject:</b> Sales Ledger error		
<p>One debtor's account balance of £468.35 has been omitted from the total of the Sales Ledger.</p> <p>Please amend this error.</p>		

<b>From:</b> Finance	<b>Subject:</b> April Wages & Salaries	<b>Received:</b> 30/04/2011 15.42
<b>From:</b> headfinance@jsawle.co.uk <b>To:</b> accounts@jsawle.co.uk		
<b>Subject:</b> April Wages & Salaries		
<p>Please enter a salary journal for April 2011, clearly showing the entry for gross wages &amp; salaries, using the following information:</p>		
Net Wages & Salaries	£2,493.75	
PAYE	£473.81	
Employees' NI	£199.50	
Employer's NI	£294.77	
Charity payments (GAYE)	£245.00	

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