

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 1 (2-mark questions)

4 questions – students to be given 3 random questions from this bank of questions.

Question 1 (2 marks)

The owner of a business pays rent for the business premises by cheque from the business bank account.

Which one of the following identifies the dual effect of the above transaction?

| | |
|--------------------------------------------|-----|
| | ✓ |
| Increase an expense and decrease an asset | [✓] |
| Increase a liability and decrease an asset | |
| Increase capital and increase an expense | |
| Decrease a liability and increase an asset | |

MCQ

Question 2 (2 marks)

The following general ledger extract for an expense account has been provided for the month of March.

| Date | Details | Amount \$ | Date | Details | Amount \$ |
|---------|-------------|--------------|---------|---------|--------------|
| 1 March | Balance b/d | 200 | 3 March | Bank | 100 |
| 5 March | Bank | 510 | | | |
| | | | | | |

What would be the balance carried down on the account as at 31 March?

| | |
|--------------|-----|
| | ✓ |
| Credit \$610 | [✓] |
| Debit \$710 | |
| Debit \$200 | |
| Credit \$100 | |

MCQ

Question 3 (2 marks)

Joseph purchased a piece of machinery for use in his business on 1 June.

The total cost of the machinery included:

| | \$ |
|-------------------------------|------|
| Purchase price | 8000 |
| Installation costs | 600 |
| Maintenance charges (2 years) | 400 |
| Total cost | 9000 |

What is the value of the machinery which should be capitalised?

| | |
|--------|-----|
| | ✓ |
| \$8600 | [✓] |
| \$9000 | |
| \$8000 | |
| \$8400 | |

MCQ**Question 4 (2 marks)**

Kirk runs a business selling goods on credit to customers. One customer has purchased goods to the value of \$2400 on 1 July and the terms on their account state that payment is due within 30 days of invoice date.

Kirk has decided to offer a prompt payment discount to encourage early payment of 3% for payment within 14 days of the invoice.

The customer pays the invoice on 12 July.

What amount should the customer pay?

| | |
|--------|-----|
| | ✓ |
| \$2328 | [✓] |
| \$2400 | |
| \$72 | |
| \$2472 | |

MCQ

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 1 (4-mark questions)

11 questions – students to be given 9 random questions from this bank of questions.

Question 1 (4 marks)

The following transactions have passed through the account of a credit customer:

| Date | Document | Amount \$ |
|-----------|-------------------|-----------|
| 1 August | Invoice SI2513 | 362 |
| 9 August | Invoice SI2542 | 78 |
| 10 August | Invoice SI2580 | 480 |
| 17 August | Credit note CN120 | 54 |
| 22 August | Bank receipt | 308 |

What amount would appear on a Statement of Account for this customer if it was produced at the end of August?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[558]

INSERT VALUE

Question 2 (4 marks)

You are preparing a sales invoice for a credit customer. Goods have been sold which have a list price of \$1220. The buyer has the following discounts available:

- 10% trade discount
- 3% prompt payment discount for early settlement of the invoice within 7 days of invoice date

Assuming the customer qualifies for all discounts available, how much will the customer pay to settle this invoice?

Enter your answer to 2 decimal places.

\$[1065.06]

INSERT VALUE

Question 3 (4 marks – 1 mark for each correct answer)

Classify each of the following items as an asset or a liability using the drop-down options provided below.

| Item | Asset or liability |
|----------------------------------|--------------------|
| Vehicles | [Asset] |
| Bank loan | [Liability] |
| Inventory | [Asset] |
| Money owing by trade receivables | [Asset] |

Drop down options to be provided in all boxes:

Asset

Liability

DROP DOWN OPTIONS**Question 4 (4 marks)**

You have been provided with the following list of balances as at 1 April.

| | |
|-------------------|-------|
| | \$ |
| Motor vehicles | 12000 |
| Trade receivables | 3820 |
| Bank loan | 2000 |
| Bank | 3110 |
| Trade payables | 1930 |

What is the amount of capital invested in the business? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$15000]

INSERT VALUE

Question 5 (4 marks)

A company's petty cash book is operated using the imprest system. The imprest amount is \$125. At the end of a week, the petty cash remaining was made up as follows:

| | Quantity |
|------|----------|
| \$10 | 2 |
| \$5 | 5 |
| \$1 | 4 |
| 50c | 3 |
| 20c | 6 |
| 10c | 3 |
| 5c | 3 |
| 1c | 8 |

Assuming there were no errors or discrepancies, what is the amount of payments that will be recorded in the petty cash book for this period?

Enter your answer to 2 decimal places using a full stop.

[\$72.77]

INSERT VALUE

Question 6 (4 marks – 1 mark for each correct answer)

Identify whether each of the following statements regarding bank reconciliations are true or false using the drop-down options provided below.

| Statement | True or false |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Some differences between the bank statement and the cash book are described as timing differences – these are not corrected in the cash book. | [True] |
| A trade receivables cheque has been dishonoured and returned by the bank – the amount of the returned cheque must be recorded in the cash book on the debit side. | [False] |
| In a bank reconciliation statement, which starts with the balance as per the bank statement, unpresented cheques are deducted. | [True] |
| The opening cash book balance at bank will always be the same as the opening bank statement balance. | [False] |

Drop-down options to be provided in all boxes:

True

False

DROP DOWN OPTIONS

Question 7 (4 marks – 1 marks for each correct answer shown in blue text below)

Identify the type of error made in each of the following scenarios using the drop-down options provided below.

| Bookkeeping error | Type of error |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| The cost of fuel for the company vans has been debited to the Motor Vehicles at Cost account. | [Error of principle] |
| An invoice has been discovered amongst the statements of account from suppliers, so it has not yet been entered in the accounts. | [Error of omission] |
| A sales invoice for a customer J Hyde has been entered in the account of Hide & Co in error | [Error of commission] |
| A purchase invoice received through the post is water damaged. It has been entered as \$59 when it should have been for \$69. | [Error of original entry] |

Drop down options to be available in both boxes:

Error of commission

Error of original entry

Error of principle

Error of omission

DROP DOWN OPTIONS

Question 8 (4 marks – 1 mark for each correct answer shown in blue text)

Classify each of the following transactions as either capital income, revenue income, capital expenditure or revenue expenditure by using the drop-down options provided below.

| Transaction | Classification |
|-----------------------------------------------------------------|-----------------------|
| Payment of fuel for the company van | [Revenue expenditure] |
| The sale of goods to a customer | [Revenue income] |
| Purchase of a laptop computer for use by a sales representative | [Capital expenditure] |
| An injection of capital into the business by the owner | [Capital income] |

Drop down options to be available in all boxes so the students can use each one more than once:

Capital income

Revenue income

Capital expenditure

Revenue expenditure

DROP DOWN OPTIONS

Question 9 (4 marks – 1 mark for each correct entry shown in blue text)

Identify the business document being described in each of the following statements using the drop-down options provided below.

| Statement | Business document |
|---------------------------------------------------------------------------------------------------------------|------------------------|
| A document that requests a payment from a customer for goods/services provided by the seller. | [Invoice] |
| A document issued by a supplier to a customer to reduce the balance owed from a previous invoice. | [Credit note] |
| A document sent by the seller to the customer showing the transactions for a period of time, usually a month. | [Statement of account] |
| A document sent by a customer to a supplier when making a payment on account. | [Remittance advice] |

Drop down options to be available in all boxes:

Statement of account

Invoice

Remittance advice

Credit note

DROP DOWN OPTIONS

Question 10 (4 marks – 1 mark for each correct answer shown in blue text)

Identify whether each of the following accounts would appear on the debit or credit side of a trial balance using the drop-down options provided below.

| Accounts | Debit or credit |
|-------------------------|-----------------|
| Trade payables | [Credit] |
| Administration expenses | [Debit] |
| Capital | [Credit] |
| Inventory | [Debit] |

Drop-down options to be available in all boxes:

Debit

Credit

DROP DOWN OPTIONS

Question 11 (4 marks – 1 mark for each correct answer shown in blue text below)

Identify the payment method being used in each of the following scenarios by using the drop-down options provided below.

| Scenario | Payment method |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| A customer makes an instruction to their bank to pay a fixed amount at regular intervals to a named party. | [Standing order] |
| A payment is made to purchase goods online which reduces the funds available in the business bank account immediately. | [Debit card] |
| A business makes a payment through the post to clear the balance on a credit account. | [Cheque] |
| A payment is made to purchase goods online however the business does not wish to use funds from the business bank account straight away. | [Credit card] |

Drop-down options to be available in all boxes:

Credit card
Direct debit
Standing order
Cash
Cheque
Debit card

DROP DOWN OPTIONS

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 2 (2-mark questions)

3 questions – students to be given 2 random questions from this bank of questions.

Question 1 (2 marks)

An employee receives a monthly salary of \$1980. Each month the employee pays tax amounting to \$140 and contributes \$42 per month into a pension scheme.

What is the amount of net pay for the month?

| | |
|--------|-----|
| | ✓ |
| \$1798 | [✓] |
| \$1840 | |
| \$1882 | |
| \$1938 | |

MCQ

Question 2 (2 marks)

George works as a sales representative. His basic salary is \$18000 per annum paid evenly over the 12 months of the year. Each month he receives a commission payment as a bonus on top of his salary of 5% of his sales made in the month. During April George made sales of \$14000.

What is George's gross pay for April?

| | |
|--------|-----|
| | ✓ |
| \$2200 | [✓] |
| \$1500 | |
| \$700 | |
| \$2400 | |

MCQ

Question 3 (2 marks)

Which one of the following statements regarding the **piece rate** method of payroll is true?

| | |
|-----------------------------------------------------------------------------------------------------|-----|
| | ✓ |
| Gross pay is based on the level of production achieved. | [✓] |
| Gross pay is based on hours worked with an extra amount added if output exceeds a pre-agreed level. | |
| The monthly gross pay is based on an annual salary divided equally over 12 months. | |
| A minimum gross pay will always be guaranteed for anyone paid using a piece rate method. | |

MCQ

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 2 (4-mark questions)

3 questions – students to be given 2 random questions from this bank of questions.

Question 1 (4 marks – 1 mark for each correct answer)

Freedom Ltd uses a piece rate method to calculate payroll.

Calculate the gross pay for each employee below.

You **must** enter your answers to **2 decimal places**.

| Employee | Quantity produced | Piece rate per unit (\$) | Gross pay (\$) |
|-----------|-------------------|--------------------------|----------------|
| I Stevens | 982 | 0.20 | [196.40] |
| M Jacobs | 520 | 0.37 | [192.40] |
| P Simpkin | 480 | 0.60 | [288.00] |
| O Marsh | 588 | 0.45 | [264.60] |

INSERT VALUE

Question 2 (4 marks)

BY Co uses two different grades of labour. Grade A is more highly skilled than grade B and is therefore paid a higher hourly rate.

The weekly pay information for BY Co is shown below.

| | Grade A | Grade B |
|------------------------------------|----------------|----------------|
| Hours worked at basic rate | 80 hours | 100 hours |
| Hours worked at time and a half | 10 hours | 25 hours |
| Hours worked at time and a quarter | 14 hours | 22 hours |
| Hourly rate | \$18.00 | \$12.80 |

What is the wages expense for the week for BY Co?

Enter your answer in whole \$ only (to the nearest whole \$) and do not use any commas (,) or full stops(.).

\$(4137)

INSERT VALUE

Question 3 (4 marks – 1 mark for each correct answer shown in blue text)

Identify the labour payment method used in each of the four statements using the drop-down options provided below.

| Statements | Method |
|--------------------------------------------------------------------------|------------------------|
| Method used for repetitive work where output is the main priority | [Piece rate] |
| Where output exceeds a pre-agreed level, an extra amount becomes payable | [Time rate plus bonus] |
| A common labour payment method used for managers and supervisors | [Salary] |
| The gross pay is calculated as: hours worked x rate per hour | [Time rate] |

Drop down options to be available in each box to select from:

Time rate

Salary

Time rate plus bonus

Piece rate

DROP DOWN OPTIONS

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 3 (2-mark questions)

4 questions – students to be given 2 random questions from this bank of questions.

Question 1 (2 marks)

Which one of the following identifies where the total of the discounts allowed should be posted?

| | |
|-------------------------------------------------------|-----|
| | ✓ |
| Credit side of the Receivables Ledger Control Account | [✓] |
| Credit side of the Discounts Allowed Account | |
| Debit side of the Receivables Ledger Control Account | |
| Debit side of the Discounts Received Account | |

MCQ

Question 2 (2 marks)

Which one of the following would be recorded on the credit side of the receivables ledger control account?

| | |
|---------------------------------|-----|
| | ✓ |
| Sales Returns | [✓] |
| Purchase returns | |
| Sales | |
| Bank payments made to suppliers | |

MCQ

Question 3 (2 marks – 1 mark for each correct answer shown in blue text below)

Identify whether each of the following statements are true or false using the drop-down options provided below.

| Statement | True or false |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| If an irrecoverable debt is not written off in the receivables ledger control account, the balance on the receivables ledger control account will be lower than it should be | [False] |
| An offset (contra) between receivables and payables will appear on the debit side of the payables control account and the credit side of the receivables control account | [True] |

Drop down options to be provided in both answer boxes:

True

False

DROP DOWN OPTIONS

Question 4 (2 marks)

Which one of the following does not appear in a payables ledger control account?

| | |
|--------------------|-----|
| | ✓ |
| Cash purchases | [✓] |
| Discounts received | |
| Credit purchases | |
| Purchase returns | |

MCQ**Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 3 (4-mark questions)**

2 questions – students to be given 1 random question from this bank of questions.

Question 1 (4 marks – 1 mark for each correct answer)

You have been provided with the following list of transactions with credit customers during the month of September.

Identify whether each entry will be a debit or credit in the receivables ledger control account using the drop-down options provided below.

| Transaction | Debit or credit |
|---------------------------------------------|-----------------|
| Balance owing from customers at 1 September | [Debit] |
| Discounts allowed | [Credit] |
| Money received from credit customers | [Credit] |
| Goods sold to credit customers | [Debit] |

Drop down options to be provided in all boxes:

Debit

Credit

DROP DOWN OPTIONS

Question 2 (4 marks)

You have been provided with the following transactions for the month of March:

| Transaction | \$ |
|---------------------------------------------|-------|
| Supplier balances at the beginning of March | 13650 |
| Credit purchases | 8970 |
| Purchase returns | 655 |
| Money paid to suppliers | 9380 |
| Discounts received | 345 |

What will be the closing balance on the payables ledger control account at the end of March?

Enter the value of the balance only. You are not required to indicate whether this is a debit or credit balance.

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[12240]

INSERT VALUE

Feb LCCI Level 1 Certificate in Bookkeeping – Learning outcome 4 (2-mark questions)

4 questions – students to be given 3 random questions from this bank of questions.

Question 1 (2 marks)

A sole trader purchased a piece of equipment for use in his business. The cost of the equipment was \$22000 and it has an expected life of 5 years after which it has a residual value of \$1500.

What would be the carrying value at the end of the second year of this equipment, assuming the sole trader uses the straight-line method of depreciation?

| | |
|---------|-----|
| | ✓ |
| \$13800 | [✓] |
| \$13200 | |
| \$17900 | |
| \$17600 | |

MCQ

Question 2 (2 marks)

Which one of the following is an example of a current asset?

| | |
|-------------------|-----|
| | ✓ |
| Trade receivables | [✓] |
| Bank (overdrawn) | |
| Accrued expenses | |
| Bank loan | |

MCQ**Question 3 (2 marks)**

In which section of the Statement of Financial Position would motor vehicles be recorded?

| | |
|---------------------|-----|
| | ✓ |
| Non-current assets | [✓] |
| Current assets | |
| Equity | |
| Current liabilities | |

MCQ**Question 4 (2 marks – 1 mark for each correct answer)**

Identify whether each of the following statements is true or false using the drop-down options provided below.

| Statement | True or false |
|-----------------------------------------------------------------------------------------------------------------|---------------|
| Depreciation is a measure of the cost of the economic benefit of a non-current asset consumed during the period | [True] |
| The carrying value of a non-current asset is cost plus accumulated depreciation to date | [False] |

Drop down options to be provided in both answer boxes:

True

False

DROP DOWN OPTIONS

Feb 25 LCCI Level 1 Certificate in Bookkeeping – Learning outcome 4 (4-mark questions)

10 questions – students to be given 8 random questions from this bank of questions.

Question 1 (4 marks)

A sole trader paid \$6800 for the rent of the workshop from which he trades during the year ending 31 December 20X2.

This includes \$1800 paid for the quarter ending January 20X3.

What amount should appear in the Statement of Profit or Loss as rent for the year ending 31 December 20X2?

Enter your answer in whole \$ only and do not use any full stops (.) or commas (,).

[\$6200]

INSERT VALUE

Question 2 (4 marks)

You have been provided with the following extract from an incomplete trial balance for a sole trader for the year ending 31 December.

| | Debit \$ | Credit \$ |
|-----------------------------|-------------|--------------|
| Revenue | | 42380 |
| Wages and salaries | 12180 | |
| Office expenses | 3560 | |
| Motor vehicle | 8000 | |
| Purchases | 8670 | |
| Opening inventory | 1000 | |
| Purchase returns | | 680 |
| Motor vehicle running costs | 2160 | |

Closing inventory at the end of December was valued at \$1500.

What amount would appear as the gross profit in the Statement of Profit or Loss for the year ending 31 December?

[\$34890]

INSERT VALUE

Question 3 (4 marks – 1 mark for each correct answer shown in blue text)

Identify whether each of the following account balances will appear as a debit or credit entry in an initial trial balance using the drop-down options provided below.

| | Debit or Credit |
|--------------------------|-----------------|
| Accumulated depreciation | [Credit] |
| Prepaid expenses | [Debit] |
| Accrued income | [Debit] |
| Irrecoverable debt | [Debit] |

Drop down options to be provided in all answer boxes:

Debit

Credit

DROP DOWN OPTIONS

Question 4 (4 marks)

Bill purchased a motor van for use in his sole trader business.

The cost of the van was \$16000 and is to be depreciated at a rate of 30% using the reducing balance (diminishing balance) basis.

What would be the carrying value of the motor van at the end of the second year of ownership?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$7840]

INSERT VALUE

Question 5 (4 marks)

You have been provided with the following extract from the trial balance of a sole trader as at 31 December.

| | Debit (\$) | Credit (\$) |
|--------------------|------------|-------------|
| Machinery | 12600 | |
| Bank | 780 | |
| Inventory | 2890 | |
| Trade payables | | 3250 |
| Trade receivables | 4380 | |
| Computer equipment | 2500 | |
| Long term loan | | 2500 |
| Accrued expenses | | 480 |

What amount would appear as the total of the current liabilities in the Statement of Financial Position at the year end?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[3730]

INSERT VALUE

Question 6 (4 marks)

Jamie runs a small business as a sole trader. She has provided the following information for the year ending 31 March 20X5.

| | \$ |
|------------------------------------|-------|
| Capital as at 1 April 20X4 | 12000 |
| Capital introduced during the year | 2000 |
| Drawings during the year | 8000 |
| Capital as at 31 March 20X5 | 13000 |

What was the profit for the year made by Jamie's business during the year ending 31 March 20X5?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[7000]

INSERT VALUE

Question 7 (4 marks – 1 mark for each correct answer)

Identify whether each of the following statements are true or false using the drop-down options provided below.

| Statement | True or false |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| A prepaid expense is an asset to the business and appears under the heading of current assets on the Statement of Financial Position. | [True] |
| Accrued expenses appear on the credit side of a trial balance. | [True] |
| Prepaid income appears on the debit side of a trial balance. | [False] |
| Accrued income is a liability to the business and appears under the heading of current liabilities on the Statement of Financial Position. | [False] |

Drop down options to appear in all boxes:

True

False

DROP DOWN OPTIONS**Question 8 (4 marks)**

Harrison purchased a non-current asset for use in his business. The asset cost \$32000 and is to be depreciated using the straight-line method of depreciation.

The asset is expected to have a useful life of 4 years and has an expected residual value of \$1200.

What would be the depreciation charge for this asset in the first year of ownership?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$7700]

INSERT VALUE

Question 9 (4 marks)

A business has a year end of December 20X1. During the year, the following rental expense invoices were paid:

| Date | Period | \$ |
|-----------|------------------------------|-----|
| 14 March | 3 months to 31 March 20X1 | 900 |
| 16 June | 3 months to 30 June 20X1 | 930 |
| 10 August | 2 months to 31 August 20X1 | 620 |
| 12 Nov | 3 months to 30 November 20X1 | 930 |

Assuming there is no change in the monthly charge for rent, what amount should be accrued for rental expenses at the year end?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[310]

INSERT VALUE

Question 10 (4 marks – 2 marks for each correct answer)

A sole trader has a balance of \$12410 on its receivables ledger at the year end of 31 December 20X3.

It has been decided that the balance on a customer account amounting to \$1080 is to be written off as irrecoverable as all attempts to recover the debt have failed.

Answer the following questions. Enter your answers in whole \$ only and do not use any commas (,) or full stops(.).

| Question | Answer |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|
| What will be the figure which appears in the Statement of Financial Position as at 31 December 20X3 as receivables? | \$[11330] |
| What amount will appear in the Statement of Profit or Loss as an expense for irrecoverable debts for the year ending 31 December 20X3? | \$[1080] |

INSERT VALUES