

Introduction to Bookkeeping (ITBK)

Practice assessment 2: mark scheme

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Task 1 (10 marks)

(a) Identify which document would be used for each of the purposes below. (4 marks)

Identifying transactions that have been received into or paid out of the bank account in a given period.	Bank statement ▾
Summarising transactions with a supplier and advising them of the amount being paid to them.	Remittance advice ▾
Detailing goods supplied to credit customers and the amount to be paid.	Invoice ▾
Authorising low value purchases paid for in cash.	Petty cash voucher ▾

(b) Enter the account codes for each of the two new customers. (2 marks)

Date 20XX	Customer name	Customer account code
1 Feb	Clentock Ltd	CLEN078
4 Feb	Chedstone Ltd	CHED079
5 Feb	Courtlee plc	COUR080

(c) Identify the coding system used in the general ledger. (1 mark)

- ☐ Alphabetical
- ☐ Alphanumerical
- ☒ Numerical

(d) Identify whether each of the following statements regarding digital bookkeeping systems is true or false. (2 marks)

Statement	True	False
It is possible to import data relating to bank transactions in order to complete the bank reconciliation process.	☒	☐
It is not possible to post a transaction to the wrong general ledger account.	☐	☒

(e) Identify ONE consequence of this error. (1 mark)

- ☐ The total cost of purchases will be understated.
- ☐ The total amount owed by receivables will be overstated.
- ☒ The business may pay for goods that have not been received.
- ☐ The business may be paid for goods that have not been sold.

Task 2 (10 marks)

(a) Complete the table below to show the accounting equation. Enter all figures as positive values. (3 marks)

Assets £	Liabilities £	Capital £
36,934.98	6,851.35	30,083.63

(b) Identify the effect this transaction will have on the accounting equation in (a). (1 mark)

- ☐ Decrease both assets and capital
- ☐ Decrease assets and increase liabilities
- ☒ Both increase and decrease assets

(c) Identify the opposite effect of each bank transaction by dragging the appropriate description into the table. You should ignore VAT. (6 marks)

Bank Transaction	Opposite effect
Paid for advertising services	Increase expenditure
Transferred surplus money to a bank savings account	Increase assets
Repaid a loan	Decrease liabilities
Received a cheque from a credit customer	Decrease assets
Received a cheque for cash sales	Increase income
Received a refund from a cash supplier for an amount overpaid for computer repairs	Decrease expenditure

Task 3 (10 marks)

(a) (i) Identify which type of discount the customer has been offered. (1 mark)

- ☐ Bulk
- ☒ Prompt payment
- ☐ Trade

(ii) Calculate the amounts to be included in the invoice. (3 marks)

	£
Net amount	5,400
VAT @ 20%	1,080
Total	6,480

(b) Enter the invoice in the digital bookkeeping system by:

- selecting the correct menu option
- making the necessary entries. (6 marks)

Menu option

- ☐ Discounts allowed daybook
- ☐ Discounts received daybook
- ☐ Purchases daybook
- ☐ Purchases returns daybook
- ☒ Sales daybook
- ☐ Sales returns daybook

Entries

Date 20XX	Customer code	Customer	General ledger code	Invoice number	Net £	VAT code
9 March	GRA01	Grays Recruitment	1779 – Sales: Office stationery ▼	3577	5,400	V04 – 20% ▼

Task 4 (10 marks)

(a) Allocate the amounts received by dragging the appropriate action to the customer report below. You may use each action more than once. (6 marks)

Transaction type	Details	Amount £	Action
Balance b/f		884.23	Allocate full amount – No 1067
Invoice 3922	Components	9,996.22	Allocate full amount – No 1010
Invoice 3987	Components	355.22	Query overpayment
Invoice 4009	Services	896.21	Query underpayment
Credit note CN235	Correction – Invoice 3922	382.44	Allocate full amount – No 1010
Invoice 4126	Components	1,035.78	Allocate full amount – No 1067

(b) Complete the table below by calculating the amount:

- that should have been paid
- that remains outstanding.

Enter all figure as positive values. (4 marks)

Customer name	Invoice number	Prompt payment discount %	Invoice amount £	Amount paid £	Amount that should have been paid £	Amount outstanding £
Chi Lei	387	2.5	9,876.00	9,579.72	9,629.10	49.38
Trejon Ltd	211	2	2,190.00	2,080.50	2,146.20	65.70

Task 5 (10 marks)

(a) Identify the daybook in which the invoice will be entered. (1 mark)

- ☐ Discounts allowed daybook
- ☐ Discounts received daybook
- ☒ Purchases daybook
- ☐ Purchases returns daybook
- ☐ Sales daybook
- ☐ Sales returns daybook

(b) Complete the daybook by:

- making **FOUR** entries to record the invoice
- totalling the total, VAT and net columns. (7 marks)

Date 20XX	Supplier	Invoice number	Total £	VAT £	Net £
6 May	Merryman and Co	1945	3,617.34	602.89	3,014.45
12 May	Caroline Lei	A/3359	2,433.96	405.66	2,028.30
24 May	Mayfare Ltd	02-585	1,027.14	171.19	855.95
26 May	G Miles	422	224.40	37.40	187.00
28 May	Eddie's Services	18384	2,342.82	390.47	1,952.35
		Totals	9,645.66	1,607.61	8,038.05

(c) Identify **TWO** discrepancies in the credit note. (2 marks)

- ☒ Quantity of items
- ☐ Product type
- ☒ Date of credit note
- ☐ Item price

Task 6 (10 marks)

(a) Identify the amount to be paid, and the date by which the supplier should receive payment, for each of the invoices below. (6 marks)

Supplier name	Invoice amount £	Invoice date 20XX	Amount to be paid £	Date by which supplier should receive payment
Kings Ltd	5,401.20	10 May	5131.14	19 May ▾
Trend Tee	1,898.28	13 May	1898.28	30 June ▾
Wells and Co	18,334.50	16 May	17601.12	22 May ▾

(b) (i) Identify which **THREE** transactions shown in the supplier's statement of account have already been paid. (3 marks)

- ☒ Opening balance
- ☒ Invoice 1572
- ☐ Invoice 1811
- ☒ Credit note 129
- ☐ Invoice 1933
- ☐ Invoice 2001
- ☐ Invoice 2110

(b) (ii) Calculate the amount that should be paid to settle the remaining balance of the account. (1 mark)

£

Task 7 (8 marks)

(a) Complete the debit side of the cash book by:

- making the necessary entries
- totalling the cash and bank columns. (7 marks)

Date 20XX	Details	Cash £	Bank £	VAT £	Receivables £	Cash sales £
30 July	Balance b/f	1,036.24	19,882.16			
30 July	Ben Silvers		474.00		474.00	
31 July	EPD and Co	226.80		37.80		189.00
		1,263.04	20,356.16			

(b) Calculate the bank balance. Use a minus sign if your calculations indicate an overdrawn bank balance, e.g. -123. (1 mark)

£

Task 8 (6 marks)

(a) Calculate the VAT and net amounts to be recorded in the petty cash book. (2 marks)

Total £	VAT £	Net £
32.64	5.44	27.20

(b) Calculate the total of the travel expenses analysis column after the petty cash payment in (a) has been recorded. (1 mark)

£	76.75
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(c) Identify the entry required in the petty cash book to record this transaction. (3 marks)

Details	Amount £	Debit / Credit
Bank	226.78	Debit

Task 9 (6 marks)

(a) Set up the recurring entry in your digital bookkeeping system. (4 marks)

Transaction type	General ledger code	Start date 20XX	End date 20XX	Frequency	Net amount £	VAT code
Bank	3926	1 Jun ▼	1 Nov ▼	Monthly	325	VAT4 – 20%

(b) Respond to the message by selecting the appropriate general ledger code. (1 mark)

The general ledger account you have selected is not valid for a recurring payment or receipt. Please select a valid general ledger code.

General ledger code

4100 - Rental income ▼

(c) Identify ONE effect of processing the recurring entry. (1 mark)

- ☒ Entries will be posted to all relevant general ledger accounts.
- ☐ Entries will be posted to the purchase ledger and all relevant general ledger accounts.
- ☐ Funds will be transferred to Gordon Glass's bank account.

Task 10 (10 marks)

(a) Show the entries to be made in the general ledger accounts below. (6 marks)

Account name	Amount £	Debit / Credit
Cash sales	3,810.50	Credit ▼
VAT	762.10	Credit ▼
Receivables ledger control	16,806.60	Credit ▼

(b) Identify the entries in the receivables and payables ledgers. (4 marks)

Daybook	Entries
Sales	Debit entry in the receivables ledger ▼
Sales returns	Credit entry in the receivables ledger ▼
Purchases	Credit entry in the payables ledger ▼
Discounts received	Debit entry in the payables ledger ▼

Task 11 (10 marks)

(a) Complete the account below by dragging the following entries into the account:

- the balance carried down
- the totals (you may use each total more than once)
- the balance brought down. (4 marks)

Bohler Designs

Date 20XX	Details	Amount £	Date 20XX	Details	Amount £
		13,922			327
		987			9,442
			31 Oct	Balance carried down	5,140
Total 14,909			Total 14,909		
1 Nov	Balance brought down	5,140			

(b) Identify the entries required to record the balance carried down in each account. (6 marks)

Account code	Amount £	Debit / Credit
GL012	785	Debit
GL015	2,045	Credit
GL036	14,254	Credit