

Paper Reference(s)

XXXX/XX

Edexcel GCSE

Applied Business

Unit 2: Financial Records

Sample Assessment Material
Time: 1 hour

Materials required for examination

Nil

Items included with question papers

Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature. Check that you have the correct question paper.

Answer **ALL** the questions. Write your answers in the spaces provided in this question paper.

Indicate which questions you are answering by marking the box ([X]).

If you change your mind, put a line through the box (~~[X]~~) and then indicate your new answer with a cross ([X]).

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2).

There are 6 questions in this question paper. The total mark for this paper is 60.

There are 17 pages in this question paper. Any blank pages are indicated.

You may not use a dictionary.

You may use a calculator.

Advice to Candidates

Quality of written communication will be taken into account in the marking of your responses to Question 6. This question is indicated with an asterisk. Quality of written communication includes clarity of expression, the structure and presentation of ideas and grammar, punctuation and spelling.

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Scenario

The questions in this paper are based on the following scenario.

You should read this scenario carefully before you start to answer the questions.

Sajona

Sajona is a business that makes filing cabinets and other storage products. Most of its products are sold directly to business customers, and all customers who visit the website of *Sajona* can order storage products for home delivery.

The company's main factory and offices are located in the UK.



Natalie Osborne has just started work in the Finance Department at *Sajona*. Natalie's work includes handling business documents, paying bills, and making entries in the business accounts.

You work in the Finance Department at *Sajona* and you have been asked by your boss to help Natalie when she asks you for advice.

1.

(a) A Purchase Order will be sent by a business, such as *Sajona*, when it needs to:

- A buy goods
- B pay for goods
- C sell goods
- D send goods

Answer

(1)

(b) When a bill has been paid, a document is given to the customer. This document is called a:

- A credit note
- B delivery note
- C receipt
- D voucher

Answer

(1)

Natalie is completing her first Sales Invoice. She has asked you for some help with calculating the figures.

(c) Calculate the 'Total to Pay' by completing Natalie's Sales Invoice below.

Code	Description	Amount	Unit price (£)	£	p	
CB11	Metal cabinet 3-drawer	4	75.50	302	00	
SB44	Plastic box 30 cm with lid	24	2.25	54	00	
Total goods						(1)
Trade discount @ 20%						
Subtotal						(1)
VAT @ 17.5%						
Total to pay						(1)

You have started to draw the chart below to help Natalie understand the flow of financial documents.

Your chart shows the order in which documents are sent when *Sajona* buys from a supplier. Each arrow points in the direction that the document takes.

(d) Complete the chart below.

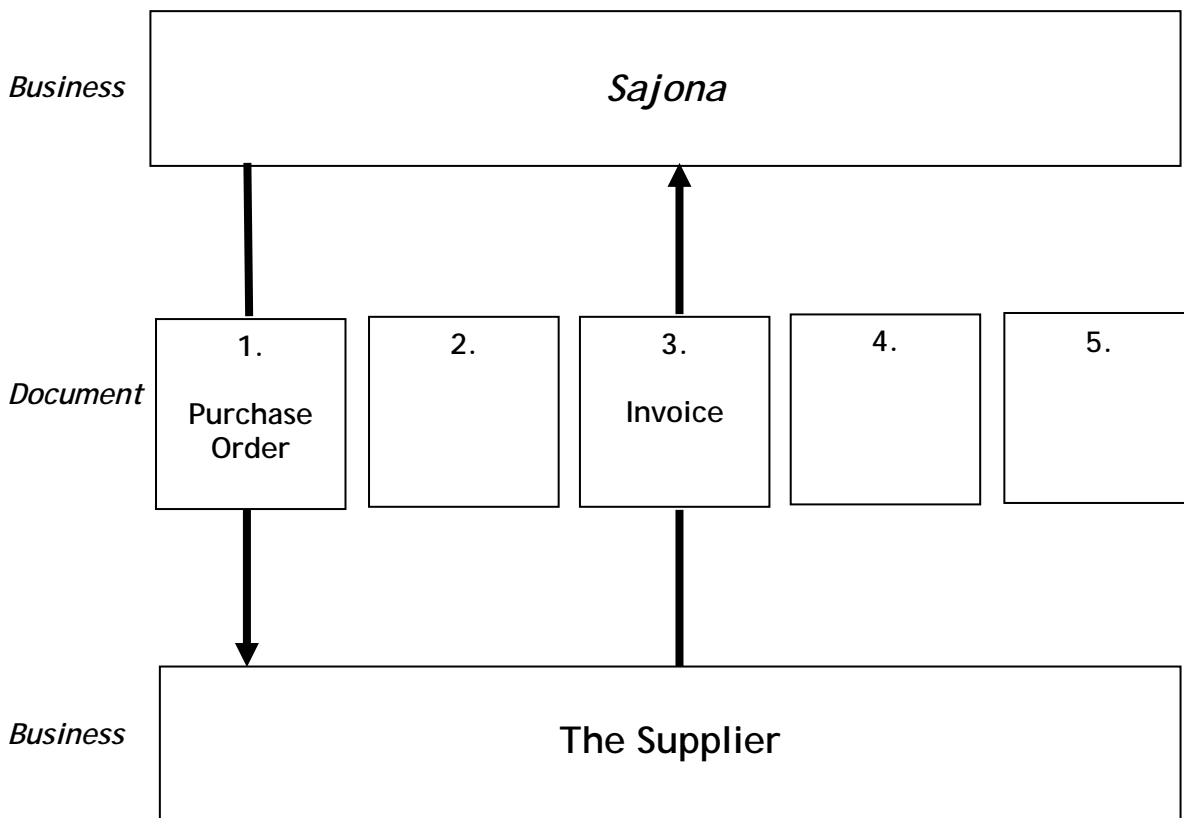
(i) In each of the **three** blank boxes, write the name of **one** of the documents listed below in the correct order, from left to right.

- Cheque
- Delivery Note
- Statement of Account

(2)

(ii) Draw an arrow for each box to show who sends the document and who receives it.

(3)



(Total 10 marks)

2. You are showing Natalie how the accounts are produced at *Sajona*. There is a computerised accounting system to prepare financial documents and update records.

- (a) State **one** way that a computerised accounting system will help update records quickly.

..... (1)

Natalie has been talking to you about errors that happen when using computerised accounting systems.

- (b) Describe **one** possible error that might happen when using computerised accounting systems.

.....

 (2)

You have been asked to order new items for the computerised system. Below is an extract from the supplier's sales catalogue.

Compupaper Ltd – 10 Maybury Road, Wellingley WL1 2ER				
Details and prices				
Item		Colour	Reference number	Price (£)
Keyboard wrist rest	Adjustable	Black	KWR-AB	32.50
		Grey	KWR-AG	34.50
Keyboard wrist rest	Non-adjustable	Black	KBR-NB	28.50
		Grey	KBR-NG	30.50
Mouse mat	Plain	Brown	MM-PBR	3.35
		Black	MM-PBL	3.35
Mouse mat	Patterned	Red	MM-PAR	3.95
		Green	MM-PAG	3.95

Your boss has sent you the following e-mail about the order.

Please order 5 adjustable black wrist rests, and 3 non-adjustable (one of these in grey).
 We'll also need 8 new mouse mats - all plain brown please.
 By the way, we want these delivered as soon as possible.

(c) Complete the Purchase Order below. The last order was numbered 4472.

Date: <u>26th June 2009</u>						
<i>Sajona</i>			Purchase Order No: _____			
To: _____						
Address: _____						
Postcode: _____						
Please Supply:						
Quantity	Description	Ref. no.	Unit price		Total price	
			£	p	£	p
Total						
Delivery terms:						

(7)
(Total 10 marks)

3. *Sajona* uses the following methods to pay for its goods and services.

Cash	Cheque	Credit card	Debit card	Direct debit
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Natalie has to carry out the following tasks.

Task A: Pay a bill to an electricity supplier. The amount to be paid will vary each month. It must be paid every month otherwise *Sajona* will have to pay a penalty fee.

Task B: Go to the local Post Office to buy three first-class stamps.

Task C: Order a new computer screen. The supplier will expect to be paid by post.

Task D: Order some stationery over the telephone. When ordering, a £10 deposit will need to be paid immediately.

(a) For each of the tasks above, what would be the **most appropriate** method of payment? A payment method may be used more than once.

Indicate your answer by marking the box (x). If you change your mind, put a line through the box (~~x~~) and then indicate your new answer with a cross (x).

Task	Cash	Cheque	Credit card	Debit card	Direct debit
A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(4)

Sajona is planning to make and sell computer desks for the 'home office' market. You have identified the following costs of doing this.

- Market research will be used to see if people are interested in the new desks.
- Each computer desk will be made from materials costing £20.
- *Sajona* will advertise the new computer desks every week.
- Machines will be bought to help make the new desks.

(b) Using examples from the list above, what is the difference between a start-up cost and running cost?

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(4)

Sajona will allow customers to buy the new desks by either credit card or debit card.

(c) Outline **one** advantage to a customer of using a credit card, rather than a debit card, when buying a new desk.

.....

.....

.....

.....

(2)

(Total 10 marks)

4. *Sajona's* computerised accounting system replaced a manual system. *Sajona* has paid for the costs of buying and installing this system.

(a) Name **one other** cost that *Sajona* is likely to pay for the computerised accounting system that would **not** be paid for a manual system.

.....
(1)

(b) Outline **two** likely benefits of having a computerised accounting system rather than a manual one.

Benefit 1:
.....
.....
.....

Benefit 2:
.....
.....
.....
(4)

The computerised system records *Sajona's* customer payments. Some of its customers pay their bills by cash.

(c) State **one** cost to *Sajona* from letting its customers pay by cash.

.....
(1)

Most of *Sajona*'s customers pay their bills by credit cards.

(d) Outline **two** advantages to a business such as *Sajona* of allowing customers to pay by credit cards.

Advantage 1:

.....

.....

.....

Advantage 2:

.....

.....

.....

(4)

(Total 10 marks)

5. Every month you receive a memorandum containing information about *Sajona's* sales and costs. You use this information to calculate the monthly profit or loss.

An extract from the most recent memorandum is shown below.

Here are our figures for last month.	
Sales of:	
filing cabinets	£42 750
storage boxes	£36 625
other items	£78 540
Cost of these sales	£37 805
Wages and salaries	£62 750
Rent, rates and insurance	£13 500
Light, heat and power	£4 770
Sales and distribution costs	£12 085
Other costs	£5 445

- (a) Use this information to construct the Profit and Loss summary for *Sajona*.

Some information has already been entered to assist you.

Profit and Loss summary for *Sajona* for last month

	£	£
Total sales		
Gross profit		
Expenses:		
Wages and salaries	62 750	
Total expenses:		

(8)

You have asked Natalie to draw up a blank balance sheet, in which you will enter figures for *Sajona's* assets and liabilities.

Natalie has given you the following printout. It contains one error.

Sajona's Balance Sheet

Fixed assets

- Premises
- Machinery and equipment
- Vehicles

Current assets

- Stocks
- Debtors
- Bank loan

Less current liabilities

- Bank overdraft
- Creditors

Working capital

Financed by:

- Capital

(b) Describe the error that Natalie has made in the above printout.

.....

.....

.....

.....

(2)

(Total 10 marks)

6. **Sajona's* recent financial statements (final accounts) include the figures below.

	2008 £	2007 £
Sales	4 350 000	3 600 000
Gross profit	1 218 000	1 080 000
Net profit	217 500	72 000

Natalie has calculated the following ratios using other information from *Sajona's* financial statements.

	2008	2007
Current Ratio	1.5 to 1	2 to 1
Acid Test Ratio	0.75 to 1	1 to 1

Natalie believes the financial performance of *Sajona* in 2008 is better than in 2007. She has asked you to calculate more ratios and explain to her whether she is right to believe this.

Natalie has drawn up the following table, which contains formulas she thinks might be relevant.

Ratio	Calculation
Net profit margin	$\frac{\text{Net profit}}{\text{Sales}}$
Gross profit margin	$\frac{\text{Gross profit}}{\text{Sales}}$
Return on capital employed	$\frac{\text{Net profit}}{\text{Capital employed}}$

.....
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(Total 10 marks)

TOTAL FOR PAPER: 60 MARKS

END