

## **QUESTION BANK**

11/2016

### **Task 2.3 (page 9)**

The instructions should read "Allocate each of the expenditure items on the left into their appropriate budget on the right."

### **Task 3.10 - Answer (page 94)**

"Supervisory Controls" should be ticked instead of "Management Controls"

### **Task 5.5 (b) - Answer (page 111)**

"At the commencement of the lease term the finance lease must be recognised as an asset" should be replaced with "At the commencement of the lease term the **machine held under the** finance lease must be recognised as an asset"

### **Task 5.5 (b) - Answer (page 111)**

The following working should be added to the end of the line "The total of the minimum lease payments (£36,000)": "(4 x £9,000)"

### **Task 5.14 (a) (page 62)**

The Acid test / Quick ratio for Year ended 31 Dec 20X4 should be 1.3:1, not 1.2:1. This should also be corrected in the answer on page 117.

### **Task 6.4 (b) - Answer (page 121)**

The following sentence should be added at the end of paragraph 3: "All purchases above a certain cash limit should be authorised by the Finance Director".

### **Task 6.7 - Answer (page 122)**

Under the Control Objective for Purchasing, "Claim all credits due" should be replaced with "Ensure all goods inward are accepted as matching the relevant purchase order"

### **AAT Sample Assessment Task 3 (page 136)**

Under "New suppliers", add a third bullet point: "• He enters the agreed supplier details and payment terms into the supplier file in the accounting system."

### **BPP Practice Assessment 1 - Task 6(a) (page 173)**

Replace the instruction with "Identify **one** strength in these procedures. Explain how the business benefits from **this** strength."

### **BPP Practice Assessment 1 - Task 6(b) (page 173)**

Replace the instruction with "Identify **one** weakness in these procedures. Explain how **this** weakness damages the business and suggest a remedy."

### **BPP Practice Assessment 2 - Task 6(b) - Answer (page 211)**

After the first paragraph, insert the following: "The second reason for the higher than budgeted profit is the £10,000 favourable variance on premises costs. A second workshop was budgeted but the company has managed with one workshop, presumably because opening inventory of finished goods was sufficient to achieve sales of 80,000 units without producing more than 75,000 units in the year."

### **BPP Practice Assessment 3 - Task 2(b) - Answer (page 233)**

Overhead should be £793,049, therefore Cost of goods sold should be £783,496, Gross profit should be £251,504 and Operating profit should be £32,784.  
The working should also be amended to (793,049/441,720)

### **BPP Practice Assessment 3 - Task 3(b) - Answer (page 234)**

"Supervisory Controls" should be ticked instead of "Management Controls"