

Candidate 1 evidence

38/40

ENTER NUMBER OF QUESTION	Sales Budget for January to June Year 3 ✓	DO NOT WRITE IN THIS MARGIN
	Jan Feb Mar Apr May Jun	
2a)	Opening Inventory (units) 600 ✓ 700 840 960 1080 1200	
	Add Production (Units) 2000 2100 2500 2200 3600 4800 1	
	2600 3120 3660 4160 4680 5200	
	Less Sales (units) 1850 2280 2500 2680 3080 3480 4450 2	
	Closing Inventory (units) 720 840 960 1080 1200 1 750 ✓ 1	5/5
b)	Cash Budget for March - May Year 3 ✓	
	Mar Apr May	
	£ £ £	
	Opening Balance ✓ 20,000 8570 94 ✓	
	Add Receipts ✓	
	Credit Sales - 1 month 14,364 1 16,884 1 19,454 1	
	Credit Credit Sales - 2 Months 12,502 1 15,162 1 17,822 1	
	Cash Sales 37,520 1 42,120 ✓ 48,700 1	
	Equity Invested 0 0 100,000 0	
	Premium - Goodwill 0 0 5,000 X	
	Loan 2,000 1 0 0	
	Sold Vehicles 0 5800 2 0	
	76,386 80,966 130,946	
	Less Payments ✓	
	Materials 38,400 1 43,200 1 49,000 1	
	Labor 16,800 1 01,200 ✓ 21,600 1	
	Production Bonus 0 200 ✓ 1000 2	
	Variable Overheads - 60% 23612 1 27,428 1 46,644 1	
	Variable Overheads - 40% 2664 1 2408 ✓ 2752 1	
	Fixed Overheads 2100 2100 2100 1	
	Purchase of Vehicle 22,000 1 0 0	
	Loan Repayment with interest 0 660 ✓ 1060 2	
	84,976 72,296 76,976 X A	
	Closing Balance ✓ - 8570 94 54,064	27/29

HLAOCB 0

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c) 1 way of improving a firm's liquidity would be to **[inject more ~~cash~~ finance into the business through its sources, method a loan or issuing shares]**. Finding a source of finance.

[Another way would be to reduce expenses] this would then mean that the business will have more to spend in other areas such as improving liquidity.

[Another method would be to invite a new partner] this way a more finance can be invested into the firm and ~~can~~ to ~~will~~ increase cash flow.

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d) 1 of the steps would be to **[carry out a revaluation account in order to split the ~~equity~~ profit/loss or revaluation with the existing partners]**.

Another ~~step~~ step would be **[to find the new profit sharing ratios including the new partner]**.

Another step would be **[to update the partners equity accounts with the new partner involved]** ~~with the new partner~~ ~~with the new partner~~ ~~with the new partner~~

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Candidate 2 evidence

24/40

2a) X

	Jan	Feb	Mar	Apr	May	Jun	
Production	2,000	2,400	2,800	3,200	3,600	7,000	0
Opening inv	600 ✓	720	840	960	1,080	1,200	
Closing inv	720	840	960	1,080	1,200	750 ✓	1
Sales units	1,880	2,280	2,680	3,080	3,480	4,450	2

b) X

	Mar	Apr	May	
opening balance				
opening balance	£28,000	0	£28,740	£38,000
<u>Receipts</u>				
Sales cash	£39,200		£44,800	£55,400
Sales credit	£29,120		£34,440	£39,760
Vehicle sale			£8,800	
Loan	£12,000	1		
Partner equity				£35,000
Total	£80,320		£85,040	£125,160

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			Mar	Apr	May			
	Payments							
	Materials		£49,200					
	Materials		£38,400	£43,200	£44,000			
	Labour		216,800	219,200	£21,600			
	Production bonus			£200	£1,000			
	Fixed overheads		£2,100	£2,100	£2,100			
	Variable overheads		£1,500 £5,800	£6,800	£6,800 £6,800			
	Vehicle purchase		£22,000					
	Loan interest			£1,060	£1,060			
	Total		£84,580	£70,700	£79,260			
	Closing balance		£25,740	£25,740 £38,000	£25,740 £83,700			
	HLAOCB	0						
	<p>c) [Assets such as machinery could be sold] </p> <p>Withdraw [Withdraw money tied up in investments] </p> <p>[Take out a loan] </p>							14/29
	<p>d) [Signing of a partnership agreement] </p> <p>[Outline of new partner's equity contribution] </p> <p>[Outline of new partner's profit/loss share.] </p>							3/3

Candidate 3 evidence

ENTER NUMBER OF QUESTION							8/40	DO NOT WRITE IN THIS MARGIN
	Sales Budget ✓							
2			JAN	FEB	MAR			
	Closing Inventory (Opening)		720	840	960			
	Production		2000	2400	2800			
	Sales		2720	3240	3760			
			APR	MAY	JUN			
	Closing Inventory		1080	1200	350 0			
	Production		3200	3600	4000 1			
	Sales		4280	4800	4700 0			1/5
X								
b)	SALES X		MAR	APR	MAY			
	Materials Opening Bal		20000 28800	38376	56434			
	Credit Sales (1 month)		23688 0	23688 1c	26964 1c			
	Credit Sales (2 months)		18058 1c	21546 1c	25004 1c			
	Cash Sales (Vehicle Sales +350 April)		52640 105280	59520 60276	67200 ✓			
	Total Sales		94416	105504	119168			
	Production X							
	Materials		51360	57600	57000 0			
	Labour		22560	25650	28800 0			
	Production bonus		2120	3160	4200 0			
	Vehicle Sales		3750					
	Fixed Overheads							
	Variable Overheads							
	Loan		0	1000	1000 1			
	Partner Equity							
	total Production		76040	87445	91000			
	Closing Balance		38376	56434	84602			7/29
	HLA OCB 0							