

## Errata

### Passport to Success: Level 2 Book-keeping and Accounts

The following errata apply to the Passport to Success Level 2 Book-keeping and Accounts Student book:

#### Page 36

In Exercise 4.2, the drawings amount for George should be £45 000 instead of £48 000.

#### Page 37

Based on the change on page 36, the Fred and George Appropriation Account should be shown as:

Fred and George Appropriation Account For the year ended 31 March 20X6			
		£	£
Net profit after interest £113 000 – (6% x 30 000)			111 200
Add: Interest on drawings	Fred (£30 000 x 4%) x 0.5	600	
	George (£45 000 x 4%) x 0.5	<u>900</u>	<u>1 500</u>
			112 700
Less: Interest on capital	Fred (£50 000 x 5%)	2 500	
	George (£60 000 x 5%)	<u>3 000</u>	(5 500)
Less: Salary	Fred		<u>(25 000)</u>
			<u>82 200</u>
Profit share	Fred (1/3)	27 400	
	George (2/3)	<u>54 800</u>	<u>82 200</u>
K,m,			

#### Page 38

Based on the changes on pages 36 and 37, the Partners' Current Accounts and Balance Sheet Extract should be shown as:

Partners' Current Accounts							
		Fred £	George £			Fred £	George £
31/03/X6	Interest on drawings	600	900	31/03/X6	Interest on capital	2 500	3 000
31/03/X6	Drawings	30 000	45 000	31/03/X6	Salary	25 000	-
				31/03/X6	Interest on loan		1 800
31/03/X6	Balance c/d	<u>24 300</u>	<u>13 700</u>	31/03/X6	Profit share	<u>27 400</u>	<u>54 800</u>
		<u>54 900</u>	<u>59 600</u>			<u>54 900</u>	<u>59 600</u>
				01/04/X6	Balance c/d	24 300	13 700

**Fred and George**  
**Balance Sheet Extract at 31 March 20X6**

	£	£
Net Current Assets (Balancing figure)		178 000
Loan from George		<u>30 000</u>
		<u>148 000</u>
Represented by:		
Capital Accounts		
Fred	50 000	
George	<u>60 000</u>	110 000
Current Accounts		
Fred	24 300	
George	<u>13 700</u>	<u>38 000</u>
		<u>148 000</u>

**Page 53**

In the Partners' Capital Account on the debit side, the year '20X8' should be shown before the entry of *Jan 1 Balance c/d*.

A balance b/d entry, dated Jan 01 20X8, of £72 320 and £19 660 for Oli and Pete respectively, should be shown under the double lines on the credit side of the Partners' Capital Account.

**Page 54**

In the text information for Example 5, the additional capital of £25 000 was introduced by Quince and not Rafe.

**Page 55**

A balance b/d entry, dated Jan 1, of £56 000 and £39 000 for Quince and Rafe respectively should be shown under the double lines on the credit side of the Partners' Capital Account.

Note 1 to the Partners' Capital Accounts should read 'Goodwill written into the partnership accounts in the old profit sharing ratio of '1:1'.

The profit share ratio in Note 2 should be '7:3' instead of '3:7'.

**Page 87**

The headings of both figure columns of Lima Plc Balance Sheet should be '£' instead of '£000'.

**Page 91**

Directly under heading 9.2 Capital and Reserves, it should read:

*'The net assets of a limited company are represented by:*

*Issued Share Capital + Reserves*

**Page 92**

In the *Creditors falling due in more than one year* section of Greenwood Ltd. Balance Sheet, the item should be '5% Debenture' instead of '5% Debenture interest'.

## Page 96

At the top of the page; additional information number 5 (related to Question 1 starting on page 95) – depreciation for plant and machinery should be 20% on the reducing balance methods instead of 25%.

## Page 123

In the Fixtures and Fittings account, the balance b/d of should be £13 248 instead of £13 218

## Page 124

### Exercise 11.1

The bank loan is repayable over three years instead of four years.

## Page 135

The mark-up on cost percentage indicated in the notes under Gold Ltd. Trading Account should be 3.97% instead of 36.9%.

i.e.

*“The Trading Account shows that the mark-up on cost has reduced to 36.97% i.e.  $£584\,100 \div £1\,579\,750 = 36.97\%$ . This is because the extra long chains are being sold for less than their cost.”*

## Page 138

### Solution to Example 4

In the calculation of stock for Adie Gianna, the figure of 38 350 should be replaced by 38 250, and the stock valuation figure of 38 130 should be replaced by 38 030.

The item *Less normal profit* should instead be ‘Add normal profit’

## Page 149

### Exercise 13.1

In the sentence before the details of the Trial Balance, the date of the Trial Balance should be ‘30 April 20X8’ instead of ‘1 May 20X7’.

i.e.

*“Ribble Ltd manufactures a variety of plastic garden furniture. The company prepares accounts annually to 30 April. At 30 April 20X8, the Trial Balance was as follows:”*

The headings of both figure columns of Ribble Ltd. Trial Balance should be ‘£’ instead of ‘£000’

The figure for *Motor Vehicles – Cost* in Ribble Ltd. Trial balance should be ‘£61 740’ instead of ‘£62 740’.

## Page 156

Example 4. In the Trial Balance for Babygro Ltd., the *Sales of bought-in goods* figure should be '64 200' instead of '60 600'.

## Page 157

### Solution to Example 4

In the Trading Account, the *Bought in sales figure* of 60 600 should be replaced with 64 200.

In the Trading Account, on the debit side, a line should be drawn above the figures of 659 792 and 67 800, which are sub-totals.

A line should also be drawn above the figures of 580 592 and 58 800, as these are also sub-totals.

## Page 160

Question 4, additional information 3. Text should read "Lighting, insurance and rent are to be apportioned 75% to Factory and 25% to Office."

## Page 164

In the Receipts and Payments Account, a line should be drawn under the figure of 4 154, and under that line a sub-total of 4 972 should be inserted.

## Page 174

Example 1 solution - the Subscriptions Account should be shown as below, to show dates which cover two years:

Subscriptions Account					
		£			£
01/01/X5	Balance b/d - (subscriptions owing, 5 x £50)	250	01/01/X5	Balance b/d - (subscriptions prepaid, 2 x £50)	100
31/12/X5	Income & Expenditure Account (note 3)	1 750	31/12/X5	Subscriptions received - re 20X4	200
31/12/X5	Balance c/d - (subscriptions prepaid 12 x £50)	600	31/12/X5	Subscriptions received - re 20X5	1 450
			31/12/X5	Subscriptions received - re 20X6	600
			31/12/X5	Balance c/d - (subscriptions owing (1 x £50 re 20 x 4, 4 x £50 re 20X5) (notes 1 and 2))	<u>250</u>
		<u>2 600</u>			<u>2 600</u>
01/01/X6	Balance b/d	250	01/01/X6	Balance b/d	250

## Page 180

Exercise 15.1 After the Receipts and Payments Account, and before other information, the heat and light costs should be '30%' instead of '25%'.

i.e.

*"30% of heat and light costs are to be transferred to the Café Trading Account."*

## Page 181

Exercise 15.1, solution (b) – the Subscriptions Account should be shown as below, to show dates which cover two years:

Subscriptions Account					
		£			£
01/01/X7	Balance b/d – (subscriptions owing, 15 x £100)	1 500	01/01/X7	Balance b/d – (subscriptions prepaid, 24 x £120)	2 880
31/12/X7	Income & Expenditure Account	50 500	31/12/X7	Subscriptions received	48 000
31/12/X7	Balance c/d – (subscriptions prepaid 10 x £140)	<u>1 400</u>	31/12/X7	Balance c/d – (subscriptions owing 21 x £120)	<u>2 520</u>
		<u>53 400</u>			<u>53 400</u>
01/01/X8	Balance b/d	2 520	01/01/X8	Balance b/d	1 400

## Page 182

### Exercise 15.1 Solution (d)

The net figure in the account of 61 200 should be replaced by 11 200, and the total figure of income shown as 149 040 should be replaced by 99 040.

The Deficit figure of (21 028) should be replaced by (28 972)

## Page 202

### Target Practice Question 4

The balance of 442 on the Suspense Account should be a debit balance instead of a credit one.

i.e.

<i>Balance on Sales Ledger Control Account</i>	<i>21 942 (Dr)</i>
<i>Total Sales Ledger balances</i>	<i>22 058 (Dr)</i>
<i>Balance on Suspense Account</i>	<i>442 (Dr)</i>

## Page 207

Example 4, Balance Sheet Extract for Goya Ltd.:

The subtotal figure of 105 000 should be described as 'Ordinary shareholders funds'.

The total figure of 125 000 should be described as 'Total shareholders funds'.

## Page 211

Example 9

The calculated net profit percentage before interest should be '28.23%' instead of '28.22%'.