

Updated 30/11/23

## Course book

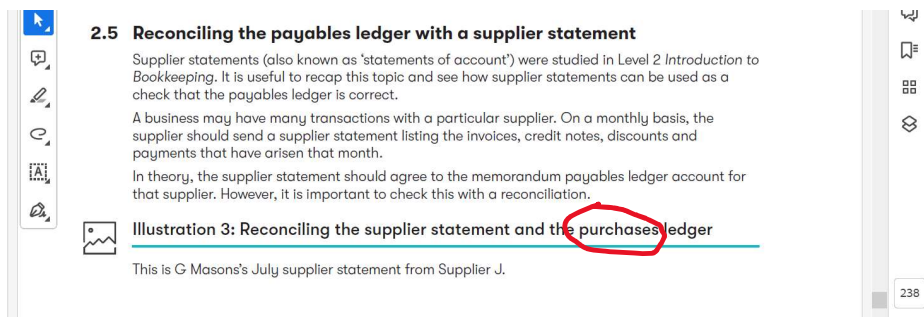
### Page 184, Section 2 Recovery of an irrecoverable debt previously written off (added 18.10.23)

The second paragraph should refer to the 'receivables ledger control account' and not the 'sales ledger'.

"As the debt has already been written off, it is no longer listed in the **receivables ledger control account** ~~sales ledger~~ and so the cash received cannot be offset against it in the usual way."

### Page 230, Section 2.5 Illustration 3: Reconciling the supplier statement and the purchases ledger (added 18.10.23)

Illustration 3 should be called: Reconciling the supplier statement and the **payables** ledger



**2.5 Reconciling the payables ledger with a supplier statement**

Supplier statements (also known as 'statements of account') were studied in Level 2 *Introduction to Bookkeeping*. It is useful to recap this topic and see how supplier statements can be used as a check that the payables ledger is correct.

A business may have many transactions with a particular supplier. On a monthly basis, the supplier should send a supplier statement listing the invoices, credit notes, discounts and payments that have arisen that month.

In theory, the supplier statement should agree to the memorandum payables ledger account for that supplier. However, it is important to check this with a reconciliation.

**Illustration 3: Reconciling the supplier statement and the purchases ledger**

This is G Mason's July supplier statement from Supplier J.

### Page 232 & 233, Section 3.2 Contra entries (added 18.10.23)

The right hand column should be headed 'Credit' and not 'Debit'.

The two businesses agree to offset the balances receivable and payable via a contra.  
The contra will be for the lower of the two amounts: £70. This will decrease both receivables and payables by £70 and the remaining £130 can then be paid in cash.

A contra entry is always recorded as:

Account name	Debit £	Debit £
Payables ledger control account	X	

Account name	Debit £	Debit £
Receivables ledger control account		X

This will **reduce** both the receivables ledger control account balance and the payables ledger control account balance.

Note that the subsidiary receivables and payables ledgers will also need to be updated for the contra entry.

**Page 237, Activity 3 (added 18.10.23)**

The title of this activity should refer to the 'receivables ledger' instead of the 'sales ledger':

Activity 3: Reconciling the receivables ledger control account and the **receivables sales** Ledger

**Page 346 Test your learning, question 5 part (b) and page 415 solution (added 02.11.23)**

The requirement should read:

Prepare a statement of financial position for Bernard Trading for the year ended 31 December 20X7. **Enter all numbers as positive numbers.**

In the 'Financed by:' section of the statement of financial position, on the row 'Less: Drawings', the number '20,000' should be entered as a positive number:

			£
Less: Drawings			20,000

## Question Bank

The Question Bank errata listed on the following pages has been removed in the online edition.

The errata has also been removed for printed editions of the Question Bank issued for BPP courses starting January 2024.

The imprint of the second edition 2023, issued for BPP courses starting **January 2024**, is as follows:

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The following errata occurs in printed editions of the FAPS question bank issued for courses starting between **September 2023** and **December 2023**:

**Page 33, Task 4.11 (added 15.9.23)**

The picklist should include the following options:

Motor vehicles accumulated depreciation

Equipment accumulated depreciation

**Page 58, Task 6.11 (c) (added 15.9.23)**

The fill-in-the-blank sentence should read:

The **insurance administration** expenses account needs an adjustment for

Then, the highlighted items below should be added to the picklists:

**Picklists:**

Description:

Accrued expenses

Insurance expenses

**Prepaid expenses**

Amount:

£798

£48

**£15**

Date:

31 March 20X5

**31 March 20X6**

1 April 20X6

**Page 119, Task 7.12 (added 18.10.23)**

Task b should state that the total cost of the replacement boxes is **£60** instead of £100:

“George has also identified some 24 bottles of wine that retail for £40 each because they are in special presentation boxes. The wines and presentation boxes had a cost of £34 each. 12 of the presentation boxes have been damaged and will need to be replaced with boxes with a less high-end finish at a total cost of **£60** ~~£100~~. They will then be offered for sale at a 20% discount.”

**Page 264, Task 15.9 (added 30.10.23)**

Rupal’s profit share should be **£29,988** (and not £29,980).

**Page 119, Task 16.1 (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	989
Cost of sales	(467)
Gross profit	522
Total expenses	(390)
Profit / loss for the year	132

**Page 120, Task 16.2 (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	8,420
Cost of sales	(3,536)
Gross profit	4,884
Total expenses	(3,560)
Profit / loss for the year	1,324

**Page 121, Task 16.3 (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	21,473
Cost of sales	(9,878)
Gross profit	11,595
Total expenses	(8,723)
Profit / loss for the year	2,872

**Page 122, Task 16.4 (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	36,000
Cost of sales	(19,800)
Gross profit	16,200
Total expenses	(15,334)
Profit / loss for the year	866

(a) (iii) Cost of sales as a percentage of revenue	$\text{Cost of sales} / \text{Revenue} \times 100$
(b) (iii) Cost of sales as a percentage of revenue	$19,800 / 36,000 = 55.0\%$

**Page 237, BPP Practice Assessment 1, Task 5 part (c) (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	34,800
Cost of sales	(17,770)
Gross profit	17,030
Total expenses	(11,280)
Profit / loss for the year	5,750

**Page 267, BPP Practice Assessment 2, Task 5 part (b) (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	82,400
Cost of sales	(51,392)
Gross profit	31,008
Total expenses	(17,215)
Profit / loss for the year	13,793

**Part (b) (iii) should be as follows:**

(iii) Cost of sales as a percentage of revenue	$51,392 / 82,400 = 62.37\%$
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**Page 299, BPP Practice Assessment 3, Task 5 part (c) (added 17.10.23)**

The statement of profit and loss should only contain the following information:

	£000
Revenue	16,000
Cost of sales	(8,640)
Gross profit	7,360
Total expenses	(6,905)
Profit / loss for the year	455

**Part (c) (iv) should be as follows:**

(iv) Cost of sales as a percentage of revenue	$8,640 / 16,000 = 54.0\%$
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**Page 353 and solution page 368, BPP Practice Assessment 3: Solution to question 4 (b) (i) (added 06.11.23)**

The requirement is to identify which “ONE of the following statements is incorrect”.

Option 1 should read “Assets minus liabilities = owner’s capital. This makes the statement correct.

Then, the solution is correct.

**(b) (i)**

	✓
Assets <del>minus</del> <del>plus</del> liabilities = owner's capital	
Net assets = capital + profit + drawings	✓
Net assets = capital + profit – drawings	
Assets – liabilities = capital + profit – drawings	

**Page 361, BPP Practice Assessment 3: Solution to question 1 (c) (i) (added 06.11.23)**

On the credit side, the depreciation charges of £700 should read “Depreciation charges” and not “Acquisition”.

**Machines accumulated depreciation**

	£		£
Disposals	1,440	Balance b/d	4,500
Balance c/d	3,760	Depreciation charges	700
	5,200	Acquisition	
			5,200

**Page 365, BPP Practice Assessment 3: Solution to question 3 (d) (added 15.9.23)**

The correct answer is:

**(d)**

The net pay control account

	✓
...is a summary of memorandum accounts for each employee.	
...should have a balance of zero when all relevant entries have been correctly made.	✓
...will always be accurate when the bank reconciliation has been completed.	
...should include individual entries for gross pay due to each employee.	