



Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE

In Accounting (4AC1)

Paper 1: Introduction to Bookkeeping and
Accounting

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Autumn 2020

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
	Award 1 mark as indicated each question.	
1	<p>The only correct answer is D - Statement of account</p> <p>A is not correct because a credit note notifies details of returned goods</p> <p>B is not correct because a purchase invoice gives details of goods purchased</p> <p>C is not correct because a sales invoice gives details of goods sold</p>	(1)
2	<p>The only correct answer is B - Confidentiality</p> <p>A is not correct because Business entity is an accounting concept</p> <p>C is not correct because Consistency is an accounting concept</p> <p>D is not correct because Materiality is an accounting concept</p>	(1)
3	<p>The only correct answer is D - Discount received</p> <p>A is not correct because Carriage inwards always has a debit balance</p> <p>B is not correct because Carriage outwards always has a debit balance</p> <p>C is not correct because Discount allowed always has a debit balance</p>	(1)
4	<p>The only correct answer is A - Creditors</p> <p>B is not correct because Debtors accounts are maintained in the receivables ledger</p> <p>C is not correct because Purchases accounts are maintained in the nominal ledger</p> <p>D is not correct because Sales accounts are maintained in the nominal ledger</p>	(1)

<p>5</p>	<p>The only correct answer is C - Capital - liabilities = assets</p> <p>A is not correct because the statement of financial position would still balance</p> <p>B is not correct because the statement of financial position would still balance</p> <p>D is not correct because the statement of financial position would still balance</p>	<p>(1)</p>
<p>6</p>	<p>The only correct answer is B - Discount allowed</p> <p>A is not correct because credit sales would be entered on the debit side</p> <p>C is not correct because interest charged would be entered on the debit side</p> <p>D is not correct because returns outwards would be entered on the debit side</p>	<p>(1)</p>
<p>7</p>	<p>The only correct answer is D - Profit for the year understated</p> <p>A is not correct because gross profit would not be affected</p> <p>B is not correct because gross profit would not be affected</p> <p>C is not correct because profit for the year would not be overstated</p>	<p>(1)</p>
<p>8</p>	<p>The only correct answer is C - Payment made within agreed time</p> <p>A is not correct because bulk purchases would trigger a trade discount</p> <p>B is not correct because payment by cash would not trigger a cash discount</p> <p>D is not correct because regular purchases would trigger a trade discount</p>	<p>(1)</p>

<p>9</p>	<p>The only correct answer is C - Debit discount allowed</p> <p>A is not correct because credit discounts allowed is an incorrect posting</p> <p>B is not correct because the debit cash book entry is discounts allowed</p> <p>D is not correct because the debit cash book entry is discounts allowed</p>	<p>(1)</p>
<p>10</p>	<p>The only correct answer is D - Other receivables understated</p> <p>A is not correct because rent paid in advance would not affect gross profit</p> <p>B is not correct because rent paid in advance would not affect gross profit</p> <p>C is not correct because rent paid in advance would not overstate other receivables</p>	<p>(1)</p>

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11	<p>Award 1 mark for each correct figure as indicated.</p> <table border="1" data-bbox="373 376 1315 1312"> <tr> <td colspan="4" data-bbox="373 376 1315 607" style="text-align: center;"> Invoice GLK Ltd Moreton Road Norwich NR1 2BP </td> </tr> <tr> <td colspan="2" data-bbox="373 607 869 786"> Frank Waites 22 Redland Drive Lewes BN7 2DH </td> <td colspan="2" data-bbox="869 607 1315 689"> Number: S2703 </td> </tr> <tr> <td colspan="2" data-bbox="373 689 869 786"></td> <td colspan="2" data-bbox="869 689 1315 786"> Date: 14 April 2020 </td> </tr> <tr> <td data-bbox="373 786 689 869">Description</td> <td data-bbox="689 786 869 869">Quantity</td> <td data-bbox="869 786 1090 869">Unit cost \$</td> <td data-bbox="1090 786 1315 869">Total cost \$</td> </tr> <tr> <td data-bbox="373 869 689 938">Filing cabinets</td> <td data-bbox="689 869 869 938">8</td> <td data-bbox="869 869 1090 938">64.55</td> <td data-bbox="1090 869 1315 938">516.40 (1)</td> </tr> <tr> <td data-bbox="373 938 689 1008">Office chairs</td> <td data-bbox="689 938 869 1008">22</td> <td data-bbox="869 938 1090 1008">19.80</td> <td data-bbox="1090 938 1315 1008">435.60 (1)</td> </tr> <tr> <td colspan="3" data-bbox="373 1008 1090 1090">Sub total</td> <td data-bbox="1090 1008 1315 1090">952.00 (1of)</td> </tr> <tr> <td colspan="3" data-bbox="373 1090 1090 1173">Trade discount 15%</td> <td data-bbox="1090 1090 1315 1173">142.80 (1of)</td> </tr> <tr> <td colspan="3" data-bbox="373 1173 1090 1256">Total</td> <td data-bbox="1090 1173 1315 1256">809.20 (1of)</td> </tr> <tr> <td colspan="4" data-bbox="373 1256 1315 1312">Terms: 2% discount for 30 days settlement.</td> </tr> </table>	Invoice GLK Ltd Moreton Road Norwich NR1 2BP				Frank Waites 22 Redland Drive Lewes BN7 2DH		Number: S2703				Date: 14 April 2020		Description	Quantity	Unit cost \$	Total cost \$	Filing cabinets	8	64.55	516.40 (1)	Office chairs	22	19.80	435.60 (1)	Sub total			952.00 (1of)	Trade discount 15%			142.80 (1of)	Total			809.20 (1of)	Terms: 2% discount for 30 days settlement.				(5)
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13 (a)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Disposal Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019 Dec 31</td> <td>Motor vehicles - cost</td> <td>20 000 (1)</td> <td>2019 Dec 31</td> <td>Motor vehicles - provision for depreciation</td> <td>4 000 (1)</td> </tr> <tr> <td></td> <td>Income statement</td> <td>400 (1of)</td> <td></td> <td>Bank / Cash Book</td> <td>16 400 (1)</td> </tr> <tr> <td></td> <td></td> <td>20 400</td> <td></td> <td></td> <td>20 400</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2019 Dec 31	Motor vehicles - cost	20 000 (1)	2019 Dec 31	Motor vehicles - provision for depreciation	4 000 (1)		Income statement	400 (1of)		Bank / Cash Book	16 400 (1)			20 400			20 400	(4)
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		20 400			20 400																					

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13 (b)	<p>Award 1 mark as indicated</p> <p>Wear and tear (1) Obsolescence (1) Passage of time (1) Depletion (1)</p> <p>Accept any other appropriate responses.</p>	(1)

Question Number	Answer	Mark
14 (a)	<p>Award marks as indicated. Max 2 marks</p> <p>Arithmetical accuracy (1) Prevention of fraud (1) Preparation of financial statements (1)</p>	(2)

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14 (b)	<p>Award 1 mark for each correct figure plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Trade Payables Ledger Control Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Mar 31</td> <td>Purchases returns day book</td> <td style="text-align: right;">615 (1)</td> <td>Mar 1</td> <td>Balance b/d</td> <td style="text-align: right;">16 250 (1)</td> </tr> <tr> <td></td> <td>Journal / set off</td> <td style="text-align: right;">465 (1)</td> <td>Mar 31</td> <td>Purchases day book</td> <td style="text-align: right;">18 230 (1)</td> </tr> <tr> <td></td> <td>Bank / Cash book</td> <td style="text-align: right;">14 540 (1)</td> <td></td> <td>Purchases day book/Journal</td> <td style="text-align: right;">30 (1)</td> </tr> <tr> <td></td> <td>Cash book / discount received</td> <td style="text-align: right;">235 (1)</td> <td></td> <td>Bank / Cash book</td> <td style="text-align: right;">55 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">18 710</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">34 565</td> <td></td> <td></td> <td style="text-align: right;">34 565</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">18 710 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	Mar 31	Purchases returns day book	615 (1)	Mar 1	Balance b/d	16 250 (1)		Journal / set off	465 (1)	Mar 31	Purchases day book	18 230 (1)		Bank / Cash book	14 540 (1)		Purchases day book/Journal	30 (1)		Cash book / discount received	235 (1)		Bank / Cash book	55 (1)		Balance c/d	18 710						34 565			34 565				Apr 1	Balance b/d	18 710 (1of)	(10)
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14 (c)	Award marks as indicated. Max 3 marks. Returned goods (1) Faulty goods (1) Discount not given (1) Overpayment (1) Accept any other appropriate response	(3)

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15 (a)	<p data-bbox="252 226 639 255">Award marks as indicated</p> <p data-bbox="603 315 1023 344" style="text-align: center;">Trial balance at 30 April 2020</p> <table border="1" data-bbox="256 398 1257 1720"> <thead> <tr> <th data-bbox="256 398 786 479">Account</th> <th data-bbox="791 398 967 479">Debit \$</th> <th data-bbox="971 398 1147 479">Credit \$</th> <th data-bbox="1152 398 1257 479"></th> </tr> </thead> <tbody> <tr> <td data-bbox="256 486 786 539">Bank overdraft</td> <td data-bbox="791 486 967 539"></td> <td data-bbox="971 486 1147 539">3 850</td> <td data-bbox="1152 486 1257 539">(1)</td> </tr> <tr> <td data-bbox="256 546 786 600">Carriage inwards</td> <td data-bbox="791 546 967 600">260</td> <td data-bbox="971 546 1147 600"></td> <td data-bbox="1152 546 1257 600">(1)</td> </tr> <tr> <td data-bbox="256 607 786 660">Carriage outwards</td> <td data-bbox="791 607 967 660">830</td> <td data-bbox="971 607 1147 660"></td> <td data-bbox="1152 607 1257 660"></td> </tr> <tr> <td data-bbox="256 667 786 721">Discount allowed</td> <td data-bbox="791 667 967 721">1 010</td> <td data-bbox="971 667 1147 721"></td> <td data-bbox="1152 667 1257 721">(1)</td> </tr> <tr> <td data-bbox="256 728 786 781">Drawings</td> <td data-bbox="791 728 967 781">8 400</td> <td data-bbox="971 728 1147 781"></td> <td data-bbox="1152 728 1257 781"></td> </tr> <tr> <td data-bbox="256 788 786 842">Equity</td> <td data-bbox="791 788 967 842"></td> <td data-bbox="971 788 1147 842">27 460</td> <td data-bbox="1152 788 1257 842"></td> </tr> <tr> <td data-bbox="256 848 786 902">General expenses</td> <td data-bbox="791 848 967 902">18 470</td> <td data-bbox="971 848 1147 902"></td> <td data-bbox="1152 848 1257 902"></td> </tr> <tr> <td data-bbox="256 909 786 963">Inventory at 1 May 2019</td> <td data-bbox="791 909 967 963">6 960</td> <td data-bbox="971 909 1147 963"></td> <td data-bbox="1152 909 1257 963">(1)</td> </tr> <tr> <td data-bbox="256 969 786 1023">Irrecoverable debts</td> <td data-bbox="791 969 967 1023">380</td> <td data-bbox="971 969 1147 1023"></td> <td data-bbox="1152 969 1257 1023">(1)</td> </tr> <tr> <td data-bbox="256 1030 786 1084">Property at cost</td> <td data-bbox="791 1030 967 1084">36 000</td> <td data-bbox="971 1030 1147 1084"></td> <td data-bbox="1152 1030 1257 1084"></td> </tr> <tr> <td data-bbox="256 1090 786 1227">Motor vehicles - cost - provision for depreciation</td> <td data-bbox="791 1090 967 1227">18 300</td> <td data-bbox="971 1090 1147 1227">10 980</td> <td data-bbox="1152 1090 1257 1227"></td> </tr> <tr> <td data-bbox="256 1234 786 1288">Purchases</td> <td data-bbox="791 1234 967 1288">44 310</td> <td data-bbox="971 1234 1147 1288"></td> <td data-bbox="1152 1234 1257 1288"></td> </tr> <tr> <td data-bbox="256 1294 786 1348">Rent received</td> <td data-bbox="791 1294 967 1348"></td> <td data-bbox="971 1294 1147 1348">1 650</td> <td data-bbox="1152 1294 1257 1348">(1)</td> </tr> <tr> <td data-bbox="256 1355 786 1408">Returns outwards</td> <td data-bbox="791 1355 967 1408"></td> <td data-bbox="971 1355 1147 1408">570</td> <td data-bbox="1152 1355 1257 1408">(1)</td> </tr> <tr> <td data-bbox="256 1415 786 1469">Revenue</td> <td data-bbox="791 1415 967 1469"></td> <td data-bbox="971 1415 1147 1469">96 740</td> <td data-bbox="1152 1415 1257 1469"></td> </tr> <tr> <td data-bbox="256 1476 786 1570">Trade payables ledger control account</td> <td data-bbox="791 1476 967 1570"></td> <td data-bbox="971 1476 1147 1570">9 150</td> <td data-bbox="1152 1476 1257 1570">(1)</td> </tr> <tr> <td data-bbox="256 1576 786 1671">Trade receivables ledger control account</td> <td data-bbox="791 1576 967 1671">15 480</td> <td data-bbox="971 1576 1147 1671"></td> <td data-bbox="1152 1576 1257 1671">(1)</td> </tr> <tr> <td data-bbox="256 1677 786 1720">Totals</td> <td data-bbox="791 1677 967 1720">150 400</td> <td data-bbox="971 1677 1147 1720">150 400</td> <td data-bbox="1152 1677 1257 1720">(1of)</td> </tr> </tbody> </table>	Account	Debit \$	Credit \$		Bank overdraft		3 850	(1)	Carriage inwards	260		(1)	Carriage outwards	830			Discount allowed	1 010		(1)	Drawings	8 400			Equity		27 460		General expenses	18 470			Inventory at 1 May 2019	6 960		(1)	Irrecoverable debts	380		(1)	Property at cost	36 000			Motor vehicles - cost - provision for depreciation	18 300	10 980		Purchases	44 310			Rent received		1 650	(1)	Returns outwards		570	(1)	Revenue		96 740		Trade payables ledger control account		9 150	(1)	Trade receivables ledger control account	15 480		(1)	Totals	150 400	150 400	(1of)	(10)
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15 (b)	<p>Award up to 4 marks for comments related to the usefulness of preparing a trial balance and 1 mark for conclusion.</p> <p>For example It checks the arithmetical accuracy of the bookkeeping entries (1), however, it will not identify all errors (1). Facilitates preparation of the financial statements (1) as the balances are readily available (1). Overall, preparation of the trial balance is a useful process due to the importance of producing accurate information (1).</p> <p>Accept any other appropriate responses.</p>	(5)

Question Number	Answer	Mark
16 (a)	<p>Award mark as indicated.</p> <p>To record low value cash payments (1). To provide training for junior staff (1).</p> <p>Accept any alternative answers.</p>	(2)

Question Number	Answer								Mark
16 (b)	Award marks for correct figure only. Award 1 mark for all correct dates and details.								
Petty Cash Book									
Receipts \$	Date 2020	Details	Voucher number	Payments \$	Cleaning \$	Stationery \$	Travel \$	Postage \$	
150.00 (1)	Apr 1	Balance b/d							
	5	Taxi fare	401	15.20			15.20 (1 row)		
	9	Postage	402	14.60				14.60 (1 row)	
	13	Travel expenses	403	25.00			25.00 (1 row)		
	22	Envelopes	404	18.30		18.30 (1 row)			
	29	Cleaner's wages	405	30.00	30.00 (1 row)				
				103.10	30.00	18.30	40.20	14.60 (1 of row)	

103.10 (1of)	30	Cash book/bank						
	30	Balance c/d		150.00				
253.10 (1of)				253.10				
150.00 (1)	May 1	Balance b/d						

Question Number	Answer	Mark
16 (c)	<p>Award 1 mark as indicated</p> <p>Stolen money (1) Not entered/lost voucher (1)</p> <p>Accept any other appropriate response.</p>	(1)

Question Number	Answer	Mark
16 (d)	<p>Award 1 mark as indicated</p> <p>Current assets (1)</p>	(1)

Question Number	Answer	Mark									
17 (a)	<p>Award marks as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Trade receivables control</td> <td></td> <td>✓ (1)</td> </tr> <tr> <td>Irrecoverable debts</td> <td>✓ (1)</td> <td></td> </tr> </tbody> </table>	Account	Debit	Credit	Trade receivables control		✓ (1)	Irrecoverable debts	✓ (1)		(2)
Account	Debit	Credit									
Trade receivables control		✓ (1)									
Irrecoverable debts	✓ (1)										

Question Number	Answer	Mark
17 (b)	<p>Award marks as indicated.</p> <p>Prudence (1) Accruals or matching (1)</p>	(2)

Question Number	Answer	Mark												
17 (c)	<p>Award marks as indicated.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">\$</td> <td></td> </tr> <tr> <td style="padding-right: 20px;">Net trade receivables</td> <td style="text-align: right;">42 140</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u> X 5%</u></td> <td></td> </tr> <tr> <td style="padding-right: 20px;">Provision at 29 February 2020</td> <td style="text-align: right;"><u>2 107</u></td> <td style="text-align: right;">(1of)</td> </tr> </table>		\$		Net trade receivables	42 140	(1)		<u> X 5%</u>		Provision at 29 February 2020	<u>2 107</u>	(1of)	(2)
	\$													
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	<u> X 5%</u>													
Provision at 29 February 2020	<u>2 107</u>	(1of)												

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17 (d)	<p>Award 1 mark for figures plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Provision for Irrecoverable Debts Account</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020 Feb 29</td> <td>Balance c/d</td> <td style="text-align: center;">2 107</td> <td style="text-align: center;">2019 Mar 1</td> <td>Balance b/d</td> <td style="text-align: center;">1 845 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">2020 Feb 29</td> <td>Income statement</td> <td style="text-align: center;">262 (1of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>2 107</u></td> <td></td> <td></td> <td style="text-align: center;"><u>2 107</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">Mar 1</td> <td>Balance b/d</td> <td style="text-align: center;">2 107 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2020 Feb 29	Balance c/d	2 107	2019 Mar 1	Balance b/d	1 845 (1)				2020 Feb 29	Income statement	262 (1of)			<u>2 107</u>			<u>2 107</u>				Mar 1	Balance b/d	2 107 (1of)	(4)
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17 (e)	<p>Award up to 4 marks for comments related to the reasons why it is necessary for a business to create a provision for irrecoverable debts and 1 mark for conclusion.</p> <p>For example A business should create a provision because some amounts owing will not be received (1). The effect of this will be to overstate profit for the year and trade receivables in the financial statements (1). This enables a business to make informed decisions (1) by anticipating possible future losses as soon as they become aware of them (1). Overall, the business will benefit from the introduction of this provision (1).</p> <p>Accept any other appropriate responses.</p>	(5)

Question Number	Answer	Mark
18 (a)	<p>Award mark as indicated</p> <p>Speed (1) Accuracy (1)</p> <p>Accept any other appropriate responses.</p>	(2)

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18 (b)	<p>Award marks as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Item</th> <th>Capital expenditure</th> <th>Revenue expenditure</th> </tr> </thead> <tbody> <tr> <td>Installation cost</td> <td style="text-align: center;">✓ (1)</td> <td></td> </tr> <tr> <td>Delivery cost</td> <td style="text-align: center;">✓ (1)</td> <td></td> </tr> <tr> <td>Consumables</td> <td></td> <td style="text-align: center;">✓ (1)</td> </tr> </tbody> </table>	Item	Capital expenditure	Revenue expenditure	Installation cost	✓ (1)		Delivery cost	✓ (1)		Consumables		✓ (1)	(3)
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18 (c)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Cash book - bank column</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Mar 31</td> <td>Balance b/d</td> <td>1 210</td> <td>Mar 31</td> <td>Insurance</td> <td>345 (1)</td> </tr> <tr> <td></td> <td>Bank interest</td> <td>15 (1)</td> <td></td> <td>Dishonoured cheque, Jones</td> <td>265 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td>615 (1)</td> </tr> <tr> <td></td> <td></td> <td><u>1 225</u></td> <td></td> <td></td> <td><u>1 225</u></td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	Mar 31	Balance b/d	1 210	Mar 31	Insurance	345 (1)		Bank interest	15 (1)		Dishonoured cheque, Jones	265 (1)					Balance c/d	615 (1)			<u>1 225</u>			<u>1 225</u>	(4)
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