

Paper Reference 4AC1/01
Pearson Edexcel
International GCSE

Total Marks

Accounting
Level 1/2
Paper 1: Introduction to Bookkeeping and Accounting

Friday 10 May 2019 – Morning

Time: 2 hours plus your additional time allowance.

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
Candidate Number					

You do not need any other materials.

YOU WILL BE GIVEN

Data Book

INSTRUCTIONS

Answer ALL questions.

Answer the questions in the spaces provided in this Question Paper or on the separate data sheets – there may be more space than you need.

Calculators may be used.

INFORMATION

The total mark for this paper is 100

The marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.

ADVICE

Read each question carefully before you start to answer it.

Try to answer every question.

Check your answers if you have time at the end.

SECTION A

Answer ALL questions in this section.

Write your answers in the spaces provided.

For Questions 1–10, choose an answer A, B, C or D, and write the letter of your chosen answer in the box provided.

1. Which document is sent to credit customers at the end of each month?

- A Credit note
- B Remittance advice
- C Sales invoice
- D Statement of account

Answer

(Total for Question 1 = 1 mark)

2. In which book of original entry are irrecoverable debts recorded?

A Cash book

B Journal

C Purchases day book

D Sales day book

Answer

(Total for Question 2 = 1 mark)

3. In which book of original entry will a trader record an invoice received?

- A Purchases day book
- B Purchases returns day book
- C Sales day book
- D Sales returns day book

Answer

(Total for Question 3 = 1 mark)

4. Which ONE of the following is a reason for offering a cash discount?

- A Bulk buying
- B Paying in cash
- C Prompt payment
- D Repeat business

Answer

(Total for Question 4 = 1 mark)

5. Ben records motor vehicle expenses in the motor vehicle account in error.

What type of error is this?

- A Commission
- B Complete reversal
- C Original entry
- D Principle

Answer

(Total for Question 5 = 1 mark)

6. Which transaction is capital expenditure?

- A Disposal of a computer**
- B Installation of air conditioning**
- C Repainting of the building**
- D Repairs to air conditioning**

Answer

(Total for Question 6 = 1 mark)

7. Which ONE of the following is an accounting concept?

A Comparability

B Materiality

C Objectivity

D Understandability

Answer

(Total for Question 7 = 1 mark)

8. Which statement is **INCORRECT**?

A $\text{Assets} = \text{Liabilities} + \text{Capital}$

B $\text{Capital} = \text{Assets} - \text{Liabilities}$

C $\text{Capital} - \text{Liabilities} = \text{Assets}$

D $\text{Liabilities} = \text{Assets} - \text{Capital}$

Answer

(Total for Question 8 = 1 mark)

9. Soha purchased stationery for her business using her own money.

What is the entry in the business's books?

	Account to be debited	Account to be credited
A	Cash	Stationery
B	Equity	Stationery
C	Stationery	Cash
D	Stationery	Equity

Answer

(Total for Question 9 = 1 mark)

Turn over

10. What is indicated when a business's bank statement shows a debit balance?

- A Bank is a creditor to the business**
- B Bank is a debtor to the business**
- C Bank made payment by credit transfer**
- D Bank received payment by credit transfer**

Answer

(Total for Question 10 = 1 mark)

11. Look at the diagram for Question 11 in the Data Book.

Complete the document.

(Total for Question 11 = 5 marks)

- 12. Look at the table for Question 12 in the Data Book.
Prepare the trial balance at 31 May 2018 for Aung.**

(Total for Question 12 = 5 marks)

13. Neha provided the following information for the year ended **31 March 2019**

	1 April 2018 \$	31 March 2019 \$
Trade receivables	12 500	15 550

Neha maintains a provision for irrecoverable debts at **10%** of trade receivables.

At **31 March 2019** irrecoverable debts of **\$550** were to be written off.

- (a) Calculate the provision for irrecoverable debts at **31 March 2019**
(1 mark)

(continued on the next page)

13. continued.

(b) Look at the table for Question 13(b) in the Data Book.

Prepare the provision for irrecoverable debts account for the year ended 31 March 2019

Balance the account on that date and bring the balance down on 1 April 2019

(4 marks)

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

Turn over

SECTION B

Answer ALL questions in this section.

Write your answers in the spaces provided.

14. (a) State TWO reasons for maintaining a petty cash book.

(2 marks)

1 _____

2 _____

Jonny maintains a petty cash book with a float of \$150

During January 2019 the petty cash transactions on the following page took place.

(continued on the next page)

Turn over

14. continued.

January	Voucher Number	Transaction	\$
2	101	Purchased postage stamps	11·50
8	102	Paid travel expenses to sales manager	22·50
15	103	Paid to John, a trade payable	35·00
22	104	Purchased coffee, tea and sugar	17·75
26	105	Purchased postage stamps	8·50
31	106	Paid cleaner's wages	15·00
31		Restored float	To be calculated

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14. continued.

(b) Look at the table for Question 14(b) in the Data Book.

Prepare the petty cash book for the month ended 31 January 2019

**Balance the petty cash book on that date and bring the balance down on 1 February 2019
(11 marks)**

(c) Look at the table for Question 14(c) in the Data Book.

State which accounting concept has not been applied in each scenario.

(2 marks)

(Total for Question 14 = 15 marks)

15. (a) Evaluate why a business maintains ledger control accounts.

(5 marks)

Answer lines continue on the next page.

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15. (a) continued.

Josephine provided the following information.

	\$
At 1 June 2017	
Trade receivables ledger control account balance	65 450
For the year ended 31 May 2018	
Cash sales	80 100
Credit sales	255 895
Irrecoverable debts	11 500
Payables ledger set off	7 895
Receipts from credit customers	228 955
Returns inwards	4 567

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Turn over

15. continued.

(b) Look at the table for Question 15(b) in the Data Book.

**Prepare the account for the year ended
31 May 2018**

**Balance the account on that date and bring the
balance down on 1 June 2018
(7 marks)**

**(c) State THREE OTHER items that may appear in a
trade receivables ledger control account.
(3 marks)**

1 _____

2 _____

3 _____

(Total for Question 15 = 15 marks)

Turn over

16. (a) Explain ONE difference between capital expenditure and revenue expenditure.
(2 marks)

- (b) State TWO accounting concepts that apply when charging depreciation.
(2 marks)

1

2

(continued on the next page)

16. continued.

(c) State THREE factors that may cause a non-current asset to depreciate.

(3 marks)

1 _____

2 _____

3 _____

(continued on the next page)

Turn over

16. continued.

On 1 April 2017 Rosa purchased two motor vehicles costing \$50 000 each.

On 1 January 2019 she sold one of the motor vehicles for \$35 500

The sale proceeds were received by cheque.

Depreciation is charged at 20% per annum using the reducing balance method.

A full year's depreciation is charged in the year of purchase and none in the year of disposal.

(d) Look at the table for Question 16(d) in the Data Book.

Prepare the provision for depreciation – motor vehicles account for the year ended

31 March 2019

Balance the account on that date and bring the balance down on 1 April 2019

(4 marks)

(continued on the next page)

Turn over

16. continued.

**(e) Look at the table for Question 16(e) in the
Data Book.**

Prepare the disposal account.

(4 marks)

(Total for Question 16 = 15 marks)

**17. (a) State TWO purposes of a suspense account.
(2 marks)**

1 _____

2 _____

**(b) Look at the table for Question 17(b) in the
Data Book.**

Complete the table for each scenario.

(6 marks)

(continued on the next page)

17. continued.

(c) Evaluate how the introduction of accounting software will improve the accuracy of a business's accounts.

(5 marks)

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Turn over

17. continued.

(d) State TWO ways to protect the security of electronic data.

(2 marks)

1 _____

2 _____

(Total for Question 17 = 15 marks)

18. (a) State TWO advantages of operating a business as a sole trader.

(2 marks)

1 _____

2 _____

(b) State TWO stakeholders who may be interested in a business's financial statements.

(2 marks)

1 _____

2 _____

(continued on the next page)

Turn over

18. continued.

During the year ended 31 March 2019 the following rental income was received.

Date	\$	Period
1 April 2018	800	Four months ending 30 June 2018
1 July 2018	1 500	Six months ending 31 December 2018
1 January 2019	1 500	Six months ending 30 June 2019

(c) (i) Look at the table for Question 18(c)(i) in the Data Book.

Prepare the rental income account for the year ended 31 March 2019

Balance the account on that date and bring the balance down on 1 April 2019

(7 marks)

(continued on the next page)

Turn over

18. (c) continued.

(ii) Look at the table for Question 18(c)(ii) in the Data Book.

Complete the table by indicating with a tick (✓) what the balance of the rental income account represents on the given dates.

(4 marks)

(Total for Question 18 = 15 marks)

TOTAL FOR SECTION B = 75 MARKS

TOTAL FOR PAPER = 100 MARKS

END OF PAPER
