

Paper Reference WAC11/01
Pearson Edexcel
International Advanced Level

Total Marks

Accounting
International Advanced Subsidiary
PAPER 1: The Accounting System and
Costing

Time: 3 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 MUST HAVE

Nil

YOU WILL BE GIVEN

Source Booklet

INSTRUCTIONS

Answer BOTH questions in Section A and THREE questions from Section B

All calculations must be shown.

Answer the questions in the spaces provided in this Question Paper – there may be more space than you need.

Do not return the Source Booklet with the Question Paper.

Turn over

INFORMATION

The total mark for this paper is 200

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

Calculators may be used.

**The source material for use with Questions 1 to 6 is in
the enclosed Source Booklet.**

ADVICE

**Read each question carefully before you start to
answer it.**

Check your answers if you have time at the end.

SECTION A

Answer BOTH questions in this section.

Source material for Question 1 is on pages 3 to 10 of the Source Booklet.

1. (a) Prepare the:

(i) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2021.

(15 marks)

Answer lines continue on the next four pages.

[illegible]

Turn over

1. (a) (i) continued.

[illegible]

Turn over

1. (a) (i) continued.

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1. (a) (i) continued.

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1. (a) (i) continued.

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1. (a) continued.

(ii) Statement of Financial Position at
30 September 2021.

(14 marks)

Answer lines continue on the next four
pages.

1. (a) (ii) continued.

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1. (a) (ii) continued.

[illegible]

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1. (a) (ii) continued.

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1. (a) (ii) continued.

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Turn over

1. continued.

(b) Prepare the Forecast Statement of Profit or Loss and Other Comprehensive Income for the year ended **30 September 2022**.

(10 marks)

Answer lines continue on the next two pages.

1. (b) continued.

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1. (b) continued.

(continued on the next page)

1. continued.

- (c) (i) Explain the difference between
fixed costs and **variable costs**.
(2 marks)

(continued on the next page)

1. (c) continued.

- (ii) State ONE example of a fixed cost and ONE example of a variable cost that would be incurred by the SHOP at Fred's Bakery.
(2 marks)

Fixed cost

Variable cost

(continued on the next page)

Turn over

1. continued.

(d) Evaluate whether Fred's Bakery should offer a home delivery service. Your evaluation should consider BOTH financial and non-financial factors.

(12 marks)

Answer lines continue on the next four pages.

Turn over

1. (d) continued.

[illegible]

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1. (d) continued.

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1. (d) continued.

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1. (d) continued.

(Total for Question 1 = 55 marks)

Source material for Question 2 is on pages 11 to 21 of the Source Booklet.

- 2. (a) Calculate the depreciation of EACH category of non-current assets for the year ended 30 September 2021.**

(6 marks)

Answer lines continue on the next page.

Turn over

2. (a) continued.

(continued on the next page)

Turn over

2. continued.

- (b) Prepare the extract of the Statement of Financial Position at 30 September 2021 showing the non-current assets section.
(9 marks)**

Answer lines continue on the next page.

Turn over

2. (b) continued.

(continued on the next page)

2. continued.

(c) Calculate the TOTAL inventory value at 30 September 2021.

(5 marks)

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Turn over

2. continued.

(d) Prepare the Trade Receivables Ledger Control Account showing the value of the trade receivables at 30 September 2021.

(9 marks)

Answer lines continue on the next page.

2. (d) continued.

[illegible]

(continued on the next page)

Turn over

2. continued.

**(e) Calculate the total balance of other receivables
at 30 September 2021.**

(4 marks)

(continued on the next page)

Turn over

2. continued.

(f) Calculate at 30 September 2021 the:

- cash balance
- bank balance.

(4 marks)

(continued on the next page)

Turn over

2. continued.

(g) Prepare the extract from the Statement of Financial Position at 30 September 2021 showing the current assets section.

(6 marks)

Answer lines continue on the next page.

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Turn over

2. (g) continued.

(continued on the next page)

2. continued.

(h) Evaluate whether Fortnam Production's use of the straight-line method as the single method of depreciation for ALL non-current assets is appropriate.

(12 marks)

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2. (h) continued.

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2. (h) continued.

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

SECTION B

Answer THREE questions from this section.

Indicate which question you are answering by marking a cross in the box. If you change your mind, put a line through the box and then indicate your new question with a cross.

If you answer Question 3 put a cross in this box

☐

Source material for Question 3 is on pages 23 to 27 of the Source Booklet.

Turn over

3. (a) Explain the importance of liquidity to a business.

(4 marks)

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3. continued.

(b) Calculate the following for EACH of the years ended 30 September 2020 and 30 September 2021.

(i) Inventory turnover
(4 marks)

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3. (b) continued.

(ii) Percentage return on capital employed
(4 marks)

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3. (b) continued.

(iii) Liquid (acid test) ratio
(4 marks)

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Turn over

3. (b) continued.

(iv) Trade receivables collection period

(in days).

(4 marks)

(continued on the next page)

Turn over

3. continued.

(c) Comment on the liquidity of the business at 30 September 2021.

(4 marks)

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3. continued.

The value of some inventory in the business has fallen during the year ended 30 September 2021 to a point where its value may be lower than the purchase price.

(d) Evaluate, using accounting concepts and conventions, whether Moira should re-value her inventory.

(6 marks)

Answer lines continue on the next two pages.

Turn over

3. (d) continued.

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3. (d) continued.

(Total for Question 3 = 30 marks)

If you answer Question 4 put a cross in this box

☐

Source material for Question 4 is on pages 28 to 32 of the Source Booklet.

4. (a) Explain TWO differences between maintaining fixed capital accounts and maintaining floating capital accounts in a partnership.
(4 marks)

1

2

(continued on the next page)

Turn over

4. continued.

- (b) Prepare the journal entries, including bank entries, to record the changes for the new partnership. Narratives are NOT required.
(9 marks)

Answer lines continue on the next page.

4. (b) continued.

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Turn over

4. continued.

(c) Calculate the capital for EACH of Amman, Belinda and Cara AFTER all the changes were made at 1 October 2020.

(6 marks)

Answer lines continue on the next page.

4. (c) continued.

(continued on the next page)

Turn over

4. continued.

(d) Prepare the appropriation section of the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2021.

(5 marks)

Answer lines continue on the next page.

[illegible]

Turn over

4. (d) continued.

(continued on the next page)

Turn over

4. continued

(e) Evaluate the decision of Amman and Belinda to admit Cara as a partner.

(6 marks)

Answer lines continue on the next two pages.

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4. (e) continued.

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4. (e) continued.

(Total for Question 4 = 30 marks)

If you answer Question 5 put a cross in this box

☐

Source material for Question 5 is on pages 33 to 37 of the Source Booklet.

5. (a) Calculate for Week 23 the:

(i) TOTAL raw material cost of production
(7 marks)

Answer lines continue on the next page.

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Turn over

5. (a) (i) continued.

(continued on the next page)

Turn over

5. (a) continued.

(ii) raw material cost of producing

- ONE unit of Small
- ONE unit of Whoppa.

(2 marks)

(continued on the next page)

Turn over

5. continued.

(b) Calculate for Week 23 the:

(i) TOTAL direct labour cost of production
(5 marks)

Answer lines continue on the next page.

[illegible]

Turn over

5. (b) (i) continued.

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Turn over

5. (b) continued.

(ii) direct labour cost of producing

- ONE unit of Small
- ONE unit of Whoppa.

(2 marks)

(continued on the next page)

Turn over

5. continued.

(c) Calculate the TOTAL overhead cost of operating EACH of the Small and the Whoppa production lines.

(5 marks)

Answer lines continue on the next page.

5. (c) continued.

(continued on the next page)

Turn over

5. continued.

(d) Calculate for Week 23 the total production
cost of manufacturing EACH of:

(i) ONE unit of Small
(1 mark)

(continued on the next page)

5. (d) continued.

(ii) ONE unit of Whoppa.

(2 marks)

(continued on the next page)

5. continued.

(e) Evaluate Alpha's use of apportioning overheads to departments.

(6 marks)

Answer lines continue on the next two pages.

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Turn over

5. (e) continued.

[illegible]

Turn over

5. (e) continued.

(Total for Question 5 = 30 marks)

If you answer Question 6 put a cross in this box

☐

Source material for Question 6 is on pages 38 to 42 of the Source Booklet.

6. (a) Explain the following accounting terms.

(i) Business entity concept

(2 marks)

(ii) Realisation concept.

(2 marks)

(continued on the next page)

Turn over

6. continued.

(b) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended **30 September 2021**.

(10 marks)

Answer lines continue on the next two pages.

6. (b) continued.

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Turn over

6. (b) continued.

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6. continued.

(c) Prepare the summarised Bank Account for the year ended 30 September 2021.

(10 marks)

Answer lines continue on the next two pages.

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6. (c) continued.

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6. (c) continued.

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6. continued.

(d) Evaluate the decision of Shakti NOT to maintain full accounting records.

(6 marks)

Answer lines continue on the next two pages.

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6. (d) continued.

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6. (d) continued.

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS

TOTAL FOR PAPER = 200 MARKS

END OF PAPER
