

Paper Reference WAC11/01  
Pearson Edexcel  
International Advanced Level

Total Marks
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Accounting  
International Advanced Subsidiary  
UNIT 1: The Accounting System and Costing

Tuesday 21 January 2025 – Afternoon

Time: 3 hours

THIS DOCUMENT MUST BE RETURNED TO  
PEARSON AT THE END OF THE EXAMINATION.

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**

**Data Booklet**

**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 or in the separate Data Booklet – there  
may be more space than you need.**

**Do not return the Source Booklet with the  
Question Paper.**

**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 Source Booklet.**

**There may be spare copies of some diagrams.**

**ADVICE**

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

**Check your answers if you have time at the end.**

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**SECTION A**

**Answer BOTH questions in this section.**

**Source material for Question 1 is on  
pages 3 to 7 of the Source Booklet.**

- 1. (a) Prepare, for Aaira and Benul, the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024, including an appropriation section.**
- (20 marks)**

**Answer lines continue on the next five pages.**

[illegible]

**1. (a) continued.**

[illegible]

**1. (a) continued.**

[illegible]

**Turn over**

**1. (a) continued.**

[illegible]

**Turn over**



**1. (a) continued.**

[illegible]

1. (a) continued.

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(continued on the next page)

**1. continued.**

**(b) Prepare the:**

**(i) current accounts of Aaira and Benul for the year ended 31 December 2024**  
**(5 marks)**

**Answer lines continue on the next page.**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**1. (b) (i) continued.**

[illegible]

1. (b) continued.

(ii) Statement of Financial Position at  
**31 December 2024**

(18 marks)

Answer lines continue on the next  
three pages.

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**1. (b) (ii) continued.**

[illegible]

**1. (b) (ii) continued.**

[illegible]

1. (b) (ii) continued.

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**1. continued.**

**(c) Evaluate whether the 8% bank loan OR the admission of a new partner would be the best method of funding the purchase of the business premises.**

**(12 marks)**

**Answer lines continue on the next three pages.**

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**1. (c) continued.**

[illegible]

**1. (c) continued.**

[illegible]

**1. (c) continued.**

[illegible]

**(Total for Question 1 = 55 marks)**

**Turn over**

**Source material for Question 2 is on  
pages 8 to 12 of the Source Booklet.**

2. (a) State FOUR types of errors which would NOT be revealed by the trial balance.

(4 marks)

1 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4 \_\_\_\_\_

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\_\_\_\_\_

(continued on the next page)

**2. continued.**

**(b) Refer to the table for Question 2(b) in the Data Booklet. Calculate the corrected profit for the year ended 31 December 2024 by completing the table in the Data Booklet. If there is no effect on profit as a result of an error, state 'NO EFFECT'.**

**(14 marks)**

**Space for workings continues on the next page.**

**Workings**

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**Turn over**

2. (b) continued.

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(c) Explain the meaning of the term  
**DEPRECIATION.**  
(2 marks)

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**2. continued.**

**(d) Explain how the following concepts and conventions would be applied in the calculation of depreciation on non-current assets.**

**(i) going concern  
(2 marks)**

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2. (d) continued.

(ii) consistency.

(2 marks)

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**2. continued.**

**(e) Prepare for the year ended 31 December 2024  
the:**

**(i) Motor Vehicles Account  
(4 marks)**

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**(continued on the next page)**

**2. (e) continued.**

**(ii) Motor Vehicles – Provision for Depreciation Account**

**(4 marks)**

[illegible]

**(continued on the next page)**

**2. (e) continued.**

**(iii) Non-current Assets Disposal Account.**

**(4 marks)**

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**(f) Refer to the table for Question 2(f) in the Data Booklet. Complete the Schedule of Non-current Assets by filling in the table in the Data Booklet.**

**(7 marks)**

**(continued on the next page)**

**Turn over**

2. continued.

- (g) Evaluate the use of a single method and a single percentage rate of **15%** for the depreciation of **ALL** non-current assets.  
(12 marks)

Answer lines continue on the next three pages.

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**2. (g) continued.**

[illegible]

**2. (g) continued.**

[illegible]



**2. (g) continued.**

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**(Total for Question 2 = 55 marks)**

**TOTAL FOR SECTION A = 110 MARKS**

**Turn over**

**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 14 to 17 of the Source Booklet.**

- 3. (a) State TWO reasons for maintaining control accounts.**

**(2 marks)**

**1** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**(continued on the next page)**

**3. continued.**

**(b) Prepare, for the month of December 2024, the:**

**(i) Trade Receivables Ledger Control Account  
(11 marks)**

**Answer lines continue on the next page.**

[illegible]

**Turn over**

**3. (b) (i) continued.**

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**(continued on the next page)**

**3. (b) continued.**

**(ii) Trade Payables Ledger Control Account.**

**(7 marks)**

**Answer lines continue on the next page.**

[illegible]

**Turn over**

**3. (b) (ii) continued.**

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**(c) State TWO possible reasons why:**

**(i) there was a credit balance on her  
Trade Receivables Ledger Control Account  
on 1 December 2024  
(2 marks)**

**1** 

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**2** 

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**(continued on the next page)**

3. (c) continued.

(ii) the cheque from Baadal and Co was  
dishonoured on **28 December 2024**  
(2 marks)

1 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(continued on the next page)



**3. continued.**

**(d) Evaluate the role of International Accounting Standards (IAS) in the preparation of financial statements.**

**(6 marks)**

**Answer lines continue on the next page.**

[illegible]

**3. (d) continued.**

[illegible]

**(Total for Question 3 = 30 marks)**

**Turn over**

**If you answer Question 4, put a cross in this box**

☐

**Source material for Question 4 is on pages 18 to 22 of the Source Booklet.**

4. (a) State FOUR possible aspects of social accounting to be considered when making business decisions.

(4 marks)

1 \_\_\_\_\_

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\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3 \_\_\_\_\_

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4 \_\_\_\_\_

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4. continued.

(b) Calculate, to two decimal places, the:

(i) gross profit as a percentage of revenue  
(2 marks)

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(ii) percentage return on capital employed  
(2 marks)

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4. (b) continued.

(iii) current ratio

(2 marks)

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(iv) liquid (acid test) ratio

(2 marks)

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4. (b) continued.

(v) trade payables payment period (in days).

(2 marks)

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4. continued.

(c) State, from the ratios calculated:

(i) **TWO POSITIVE** points about Bitani's  
business  
(2 marks)

1 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(continued on the next page)



4. (c) continued.

(ii) **TWO NEGATIVE** points about Bitani's  
business.

(2 marks)

1 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

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4. continued.

(d) Calculate the:

- (i) value of trade payables that must be paid immediately  
(3 marks)

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4. (d) continued.

(ii) bank balance that Bitani will have remaining in her account after reducing the trade payables balance and buying the new non-current assets.

(3 marks)

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**4. continued.**

**A friend of Bitani told her that only the calculation of profitability matters when judging the future of a business.**

**(e) Evaluate the advice given by the friend to Bitani.**

**(6 marks)**

**Answer lines continue on the next page.**

[illegible]

4. (e) continued.

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(Total for Question 4 = 30 marks)

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**If you answer Question 5, put a cross in this box**

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**Source material for Question 5 is on pages 23 to 26 of the Source Booklet.**

5. (a) Explain the terms:

(i) accumulated fund  
(2 marks)

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(ii) profit on sale of non-current asset.  
(2 marks)

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5. continued.

(b) Calculate, for the year ended  
**31 December 2024**, the:

(i) annual subscriptions  
(4 marks)

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5. (b) continued.

(ii) profit or loss made on the prize giving evening.

(5 marks)

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**5. continued.**

**(c) Prepare the Income and Expenditure Account for the year ended 31 December 2024 (11 marks)**

**Answer lines continue on the next page.**

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**Turn over**

**5. (c) continued.**

[illegible]

5. continued.

(d) Evaluate the Ashmore Bowls Club offering members a **10**–year membership at a reduced rate of subscription.

(6 marks)

Answer lines continue on the next page.

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**5. (d) continued.**

[illegible]

**(Total for Question 5 = 30 marks)**

**Turn over**

**If you answer Question 6, put a cross in this box**

☐

**Source material for Question 6 is on pages 27 to 29 of the Source Booklet.**

**6. (a) Calculate the:**

(i) value of the closing inventory of fuel, at **31 December 2024**, using the Last In First Out (LIFO) perpetual valuation method (7 marks)

**Answer lines continue on the next three pages.**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**6. (a) (i) continued.**

[illegible]



**6. (a) (i) continued.**

[illegible]

6. (a) (i) continued.

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6. (a) continued.

(ii) total purchases (in £) of fuel for the  
six months ended **31 December 2024**  
(3 marks)

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**Turn over**

6. (a) continued.

(iii) total sales (in £) of fuel for the six months  
ended **31 December 2024**

(3 marks)

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**Turn over**

**6. continued.**

- (b) Prepare the Trading Account of Caca for the six months ended 31 December 2024**  
**(5 marks)**

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**Turn over**

6. continued.

(c) Explain the terms:

(i) net realisable value (NRV)  
(2 marks)

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(ii) periodic valuation  
(2 marks)

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6. (c) continued.

(iii) inventory rotation.

(2 marks)

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**6. continued.**

**It has been suggested that Caca should change her inventory valuation to the First In First Out (FIFO) method.**

**(d) Evaluate the suggestion of changing the method of inventory valuation to First In First Out (FIFO).**

**(6 marks)**

**Answer lines continue on the next two pages.**

[illegible]



**6. (d) continued.**

[illegible]

6. (d) continued.

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(Total for Question 6 = 30 marks)

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**TOTAL FOR SECTION B = 90 MARKS**

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**TOTAL FOR PAPER = 200 MARKS**

**END OF PAPER**