

Paper Reference WAC11/01
Pearson Edexcel
International Advanced Level

Total Marks

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

Friday 10 May 2024 – Afternoon

Time: 3 hours

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

Surname					
Other names					
Centre Number					
Candidate Number					

YOU MUST HAVE

Source Booklet (enclosed)

YOU WILL BE GIVEN

Data 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 on the separate data sheets – 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 data sheets in case you need them.

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.
Write your answers in the spaces provided.**

**Source material for Question 1 is on
pages 3 to 9 of the Source Booklet.**

5

- 1. (a) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 April 2024.**

(21 marks)

Answer lines continue on the next four pages.

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Turn over

1. (a) continued.

[illegible]

Turn over

1. (a) continued.

[illegible]

Turn over

1. (a) continued.

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Turn over

1. (a) continued.

(continued on the next page)

1. continued.

(b) Prepare the Statement of Financial Position at 30 April 2024.

(18 marks)

Answer lines continue on the next four pages.

[illegible]

Turn over

1. (b) continued.

[illegible]

Turn over

1. (b) continued.

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Turn over

1. (b) continued.

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Turn over

1. (b) continued.

(continued on the next page)

Turn over

1. continued.

(c) Explain the terms:

(i) day work
(2 marks)

(continued on the next page)

1. (c) continued.

(ii) piecework.

(2 marks)

(continued on the next page)

1. continued.

(d) Evaluate the proposal to change the delivery drivers' remuneration to a system based on the deliveries made by the drivers.

(12 marks)

Answer lines continue on the next four pages.

1. (d) continued.

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Turn over

1. (d) continued.

[illegible]

Turn over

1. (d) continued.

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1. (d) continued.

(Total for Question 1 = 55 marks)

**Source material for Question 2 is on
pages 10 to 16 of the Source Booklet.**

2. (a) Calculate for EACH of Alpha Stores and Beta Bargains the:

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

(continued on the next page)

Turn over

2. (a) continued.

(ii) profit for the year as a percentage of
revenue

(4 marks)

(continued on the next page)

2. (a) continued.

(iii) inventory turnover (times)

(4 marks)

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Turn over

2. (a) continued.

(iv) current ratio

(4 marks)

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Turn over

2. (a) continued.

(v) liquid (acid test) ratio
(4 marks)

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Turn over

2. (a) continued.

(vi) trade payables payment period (days)

(4 marks)

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Turn over

2. (a) continued.

(vii) trade receivables collection period (days).

(4 marks)

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Turn over

2. continued.

(b) Comment upon the following:

**(i) Profitability of Alpha Stores
(3 marks)**

(continued on the next page)

Turn over

2. (b) continued.

(ii) Liquidity of Beta Bargains.

(3 marks)

(continued on the next page)

2. continued.

(c) Explain the term 'goodwill'.

(2 marks)

(continued on the next page)

2. continued.

(d) State THREE reasons why Asheni may be willing to pay for the goodwill of a business.
(3 marks)

1 _____

2 _____

3 _____

(continued on the next page)

Turn over

2. continued.

- (e) Calculate the value of the goodwill that Asheni would have to pay if she were to purchase Beta Bargains for £100 000
(4 marks)

(continued on the next page)

Turn over

2. continued.

(f) Evaluate the use of information communication technology (ICT) in a business.

(12 marks)

Answer lines continue on the next four pages.

2. (f) continued.

[illegible]

Turn over

2. (f) continued.

[illegible]

Turn over

2. (f) continued.

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2. (f) continued.

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

SECTION B

**Answer THREE questions from this section.
Write your answers in the spaces provided.**

**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 18 to 22 of the Source Booklet.**

3. (a) State TWO differences when preparing accounts for:

- a club, such as the Oldmixon Tennis Club,
and
- a sole trader.

(4 marks)

1 _____

2 _____

(continued on the next page)

Turn over

3. continued.

(b) Prepare for the year ended 30 April 2024 the:

(i) Subscriptions Account
(5 marks)

Answer lines continue on the next page.

Turn over

3. (b) (i) continued.

(ii) Refreshments Trading Account
(4 marks)

[illegible]

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3. (b) continued.

(iii) Income and Expenditure Account.

(11 marks)

Answer lines continue on the next two pages.

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Turn over

3. (b) (iii) continued.

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3. (b) (iii) continued.

(continued on the next page)

3. continued.

(c) Evaluate whether the Oldmixon Tennis Club should fund the refurbishment by taking out a £20 000 bank loan at 8% per annum or fund the refurbishment from raised subscription fees in one year.

(6 marks)

Answer lines continue on the next two pages.

Turn over

3. (c) continued.

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Turn over

3. (c) 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 23 to 25 of the Source Booklet.

4. (a) Explain the terms:

(i) error of principle
(2 marks)

(ii) suspense account.
(2 marks)

(continued on the next page)

Turn over

4. continued.

(b) Prepare the journal entries to correct the errors.
(10 marks)

Answer lines continue on the next two pages.

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Turn over

4. (b) continued.

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4. (b) continued.

(continued on the next page)

Turn over

4. continued.

(c) Refer to the table for Question 4(c) in the Data Booklet.

Complete the table in the Data Booklet showing the corrected profit AFTER the correction of all errors.

(10 marks)

Answer lines continue on the next page.

Workings

4. (c) continued.

(continued on the next page)

4. continued.

(d) Evaluate the use of International Accounting Standards (IAS) when preparing financial statements.

(6 marks)

Answer lines continue on the next two pages.

4. (d) continued.

[illegible]

Turn over

4. (d) 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 26 to 29 of the Source Booklet.

5. (a) Explain TWO causes of depreciation.
(4 marks)

1

2

(continued on the next page)

5. continued.

(b) Explain why some non-current assets are depreciated using the reducing balance method and other non-current assets are depreciated using the straight-line method.

(4 marks)

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Turn over

5. continued.

(c) Refer to the table for Question 5(c) in the Data Booklet.

Calculate the total cost per year, by completing the table in the Data Booklet, of operating the:

**(i) Classic petrol car
(6 marks)**

**(ii) Super electric car.
(6 marks)**

Answer lines continue on the next page.

Workings

Turn over

5. (c) continued.

[illegible]

(continued on the next page)

Turn over

5. continued.

(d) Calculate the **total cost per kilometre** of operating the:

(i) **Classic petrol car**
(2 marks)

(continued on the next page)

5. (d) continued.

(ii) Super electric car.

(2 marks)

(continued on the next page)

5. continued.

(e) Evaluate whether Astil should purchase the Classic petrol car or the Super electric car. Your answer may consider financial and non-financial factors.

(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 30 to 33 of the Source Booklet.

6. (a) Explain the terms:

(i) Allocation of overheads
(2 marks)

(ii) Apportionment of overheads.
(2 marks)

(continued on the next page)

Turn over

6. continued.

(b) Calculate the total overhead cost of operating the productive departments by apportioning the service departments' overheads using continuous allotment.

(9 marks)

Answer lines continue on the next two pages.

[illegible]

Turn over

6. (b) continued.

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Turn over

6. (b) continued.

(continued on the next page)

6. continued.

(c) Calculate the overhead recovery rate per hour to be charged by Abeer for EACH of the machining department and the assembly department, rounding to the nearest penny.

(6 marks)

Answer lines continue on the next page.

[illegible]

Turn over

6. (c) continued.

(continued on the next page)

Turn over

6. continued.

(d) Calculate the total under absorption or over absorption of overheads for the business of Abeer for the year ended 30 April 2024.

(5 marks)

Answer lines continue on the next page.

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Turn over

6. (d) continued.

(continued on the next page)

6. continued.

(e) Evaluate the use of overhead recovery rates by Abeer.

(6 marks)

Answer lines continue on the next two pages.

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Turn over

6. (e) continued.

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Turn over

6. (e) continued.

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS

TOTAL FOR PAPER = 200 MARKS

END OF PAPER
