

**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.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

**Y57076A**

**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.**

**Turn over**

## **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.**

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**Turn over**

## **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.**

**Turn over**

**5**

**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)**

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**Turn over**

**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)**

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**Turn over**

**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)**

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**Turn over**

**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)**

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**Turn over**



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)

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Turn over

**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)**

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**Turn over**

**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)**

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**Turn over**

**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)**

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**Turn over**

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
<b>A</b>	Cash	Stationery
<b>B</b>	Equity	Stationery
<b>C</b>	Stationery	Cash
<b>D</b>	Stationery	Equity

Answer

(Total for Question 9 = 1 mark)

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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)**

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**Turn over**

**15**

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

**Complete the document.**

**(Total for Question 11 = 5 marks)**

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**Turn over**

**16**

**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)**

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**Turn over**



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

	<b>1 April 2018 \$</b>	<b>31 March 2019 \$</b>
<b>Trade receivables</b>	<b>12 500</b>	<b>15 550</b>

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

**(continued on the next page)**

**Turn over**

**13. continued.**

**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)**

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**(continued on the next page)**

**Turn over**

**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)**

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**TOTAL FOR SECTION A = 25 MARKS**

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**Turn over**

## **SECTION B**

**Answer ALL questions in this section.**

**Write your answers in the spaces provided.**

**Turn over**

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

**(2 marks)**

**1**

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**2**

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**(continued on the next page)**

**Turn over**

**14. continued.**

**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.

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

(continued on the next page)

Turn over

**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)**

**(continued on the next page)**

**Turn over**



**14. continued.**

- (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)**

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**Turn over**

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

**(5 marks)**

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

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**Turn over**

15. (a) continued.

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(continued on the next page)

Turn over

15. (a) continued.

Josephine provided the following information.

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

(continued on the next page)

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)**

**(continued on the next page)**

**Turn over**

**15. continued.**

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

**(3 marks)**

**1**

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**2**

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**3**

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**(Total for Question 15 = 15 marks)**

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**Turn over**

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

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(continued on the next page)

Turn over

**16. continued.**

**(b) State TWO accounting concepts  
that apply when charging  
depreciation.**

**(2 marks)**

**1**

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**2**

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**(continued on the next page)**

**Turn over**



16. continued.

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

(3 marks)

1

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2

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3

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(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.**

**(continued on the next page)**

**Turn over**

**16. continued.**

**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)**

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**Turn over**

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

**(2 marks)**

**1**

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**2**

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**(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)**

**Turn over**

**17. continued.**

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

**(5 marks)**

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

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**Turn over**

17. (c) continued.

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Turn over

**17. continued.**

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

**(2 marks)**

**1**

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**2**

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**(Total for Question 17 = 15 marks)**

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**Turn over**



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

1

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2

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(continued on the next page)

Turn over

**18. continued.**

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

**(2 marks)**

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

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

\_\_\_\_\_

**(continued on the next page)**

**Turn over**

**18. continued.**

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

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

**(continued on the next page)**

**Turn over**

**18. continued.**

**(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)**

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**TOTAL FOR SECTION B = 75 MARKS**

**TOTAL FOR PAPER = 100 MARKS**

**END OF PAPER**

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