

Paper Reference 4AC1/01
Pearson Edexcel
International GCSE

Total Marks

Accounting

Level 1/2

PAPER 1: Introduction to Bookkeeping and Accounting

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					

Y66467A

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.

There may be spare copies of some data sheets.

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.

Good luck with your examination.

SECTION A

Answer ALL questions. 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

1. Identify when a credit note is issued to a customer.

- A To correct an overcharge on an invoice**
- B To correct an undercharge on an invoice**
- C When goods are sold for cash**
- D When goods are sold for credit**

Answer

(Total for Question 1 = 1 mark)

Turn over

2. Identify in which book of original entry a credit note received would be recorded in a customer's books.

- A Purchases**
- B Purchases returns**
- C Sales**
- D Sales returns**

Answer

(Total for Question 2 = 1 mark)

Turn over

3. Identify where total discounts on the credit side of a cash book would be posted.

- A Credit discounts allowed**
- B Credit discounts received**
- C Debit discounts allowed**
- D Debit discounts received**

Answer

(Total for Question 3 = 1 mark)

Turn over

4. Identify which of the following is NOT a principle of professional ethics.

A Confidentiality

B Duality

C Integrity

D Objectivity

Answer

(Total for Question 4 = 1 mark)

Turn over

- 5. A trader includes the cost of small items of office equipment as expenses in the income statement.**

Identify which accounting concept is being applied.

- A Accruals**
- B Business entity**
- C Materiality**
- D Prudence**

Answer

(Total for Question 5 = 1 mark)

Turn over

6. Identify which account always has a credit balance.

- A Carriage inwards**
- B Carriage outwards**
- C Returns inwards**
- D Returns outwards**

Answer

(Total for Question 6 = 1 mark)

Turn over

7. Identify which of the following would be recorded on the credit side of a trade payables ledger control account.

- A Amounts paid to credit suppliers**
- B Contra with the trade receivables ledger control account**
- C Discount received from credit suppliers**
- D Interest charged by a supplier on late payment**

Answer

(Total for Question 7 = 1 mark)

Turn over

8. Identify where the balance of the irrecoverable debts account is transferred to at the year end.

- A Income statement**
- B Statement of financial position**
- C Trade payables ledger**
- D Trade receivables ledger**

Answer

(Total for Question 8 = 1 mark)

Turn over

9. Gina sells goods on credit to Kimi for \$600. Gina's terms of trade are 20% trade discount plus 5% cash discount for prompt settlement.

Identify which entry in Gina's books is correct.

- A \$480 in the purchases day book
- B \$480 in the sales day book
- C \$456 in the purchases day book
- D \$456 in the sales day book

Answer

(Total for Question 9 = 1 mark)

Turn over

10. Look at the table for Question 10 in the Data Book.

Identify the double entry, A, B, C or D, to record monies withdrawn from the bank for personal use.

Answer

(Total for Question 10 = 1 mark)

Turn over

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

Leon produced the invoice shown in the Data Book.

Complete the document where indicated.

There are five spaces to fill.

(Total for Question 11 = 5 marks)

12. Look at the table for Question 12 in the Data Book.

Yasir provided the following information relating to the rent account for the year ended 31 March 2021.

At 1 April 2020 Yasir owed two months' rent totalling \$500

During the year ended 31 March 2021 he paid total rent of \$3750 by bank transfer.

(continued on the next page)

Turn over

12. continued.

Prepare the rent account in the Data Book for the year ended 31 March 2021. Balance the account on this date and bring the balance down on 1 April 2021.

(Total for Question 12 = 5 marks)

Turn over

13. Look at the table for Question 13 in the Data Book.

Daya provided the following information at 30 April 2021.

	\$
Cash book (bank) balance	863 Dr
Unpresented cheques	640
Outstanding lodgements	1 485

A standing order, \$320, processed by the bank had not been entered in the cash book.

(continued on the next page)

Turn over

13. continued.

Prepare a bank reconciliation statement at 30 April 2021 in the table in the Data Book.

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

Turn over

SECTION B

Answer ALL questions. Write your answers in the spaces provided.

Turn over

- 14. Raheem maintains a three-column cash book.**

**On 1 April 2021 the balances were:
bank \$110 overdrawn, cash \$25**

**The transactions on the next page
took place during April 2021.**

(continued on the next page)

14. continued.

April	Transaction
3	Received a credit transfer from Joseph in full settlement of an invoice for \$1620. The receipt was after taking 10% cash discount.
12	Paid BL Council by standing order, \$220
21	Sold goods for cash, \$80
23	Transferred cash to bank, \$65
27	Paid window cleaner by cash, \$28
30	Paid AWB \$2185 by cheque in full settlement of an invoice after taking 5% cash discount.

(continued on the next page)

Turn over

14. continued.

**(a) Look at the table for
Question 14(a) in the Data Book.
It shows a three-column
cash book.**

**Enter the transactions in the
three-column cash book in the
Data Book.**

**Balance the cash book on
30 April 2021 and bring the
balances down on
1 May 2021.**

(10 marks)

(continued on the next page)

Turn over

14. continued.

- (b) Explain the benefits for Raheem of maintaining a petty cash book.
(5 marks)**

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

Turn over

14. (b) continued.

Turn over

14. (b) continued.

Turn over

14. (b) continued.

(Total for Question 14 = 15 marks)

Turn over

15. Chen provided the information on the next two pages for the month ended 31 March 2021.

(continued on the next page)

15. continued.

	\$
Cash purchases	2 740
Cash sales	5 650
Contra/set-off	120
Credit purchases	32 550
Credit sales	38 910
Customer's cheque dishonoured	410
Discount allowed	720
Discount received	390
Interest charged on a customer's overdue account	80

(continued on the next page)

Turn over

15. continued.

	\$
Irrecoverable debt	450
Payments to credit suppliers	36 070
Receipts from credit customers	44 600
Returns inwards	1 420
Returns outwards	1 050
At 31 March 2021	
Trade payables ledger balances	To be calculated
Trade receivables ledger balances	To be calculated

(continued on the next page)

Turn over

15. continued.

- (a) Look at the table for
Question 15(a) in the Data Book.
Prepare the trade receivables
ledger control account for the
month ended 31 March 2021.
Balance the account in the
Data Book on this date and bring
the balance down on
1 April 2021.
(9 marks)**

(continued on the next page)

Turn over

15. continued.

**(b) Look at the table for
Question 15(b) in the Data Book.
Prepare the trade payables
ledger control account for the
month ended 31 March 2021.
Balance the account in the
Data Book on this date and bring
the balance down on
1 April 2021.**

(6 marks)

(Total for Question 15 = 15 marks)

Turn over

- 16. At the end of his financial year,
31 March 2021, Jacques prepared a
trial balance and opened a suspense
account with a debit balance of \$210**

**Jacques has found the following
errors.**

- 1. Motor insurance, \$400, had been
posted to the debit side of the
motor vehicles account.**

(continued on the next page)

Turn over

16. continued.

- 2. A cheque received from a credit customer, \$650, had been entered correctly in the cash book but had been entered as \$560 on the credit side of the customer's account.**

- 3. A direct debit, \$120, for general expenses had not been entered.**

- 4. Returns inwards, \$150, had been posted to the credit side of the returns outwards account.**

(continued on the next page)

Turn over

16. continued.

(a) State the type of error made in error 1.

(1 mark)

(b) Look at the table for Question 16(b) in the Data Book. Prepare journal entries to correct EACH of the errors.

Narratives are NOT required.

(9 marks)

(continued on the next page)

Turn over

16. continued.

(c) Evaluate the advantages and disadvantages of preparing a trial balance.

(5 marks)

Answer lines continue on the next two pages.

Turn over

16. (c) continued.

Turn over

16. (c) continued.

(Total for Question 16 = 15 marks)

Turn over

- 17. (a) Explain ONE reason why a business may find it necessary to make a provision for irrecoverable debts.**

(2 marks)

(continued on the next page)

Turn over

17. continued.

**(b) Look at the tables for
Question 17(b)(i) and
Question 17(b)(ii) in the
Data Book.**

**Identify the classification of each
of the following in the statement
of financial position by marking
the correct row.**

**(i) Rent expense prepaid
(1 mark)**

**(ii) Wages accrued
(1 mark)**

(continued on the next page)

Turn over

17. continued.

**(c) Look at the table for
Question 17(c) in the Data Book.
Complete the table by marking
the correct column where each
would appear in the statement of
financial position.**

(3 marks)

(continued on the next page)

Turn over

17. continued.

- (d) Look at the table for
Question 17(d) in the Data Book.
Complete the table to show
the source document and the
book of original entry for
EACH transaction.
(8 marks)**

(Total for Question 17 = 15 marks)

Turn over

18. (a) State TWO differences between capital expenditure and revenue expenditure.

(4 marks)

Answer lines continue on the next page.

Difference 1

Turn over

18. (a) continued.

Difference 2

(continued on the next page)

Turn over

18. continued.

**(b) State TWO causes of
depreciation.**

(2 marks)

1

2

(continued on the next page)

Turn over

18. continued.

(c) State ONE accounting concept that applies when providing for depreciation.

(1 mark)

(continued on the next page)

Turn over

18. continued.

On 1 April 2018 Rafiq purchased a motor vehicle at a cost of \$48 000

On 1 December 2020 Rafiq sold the motor vehicle to Bilal for \$28 000.

One half of the sale proceeds were received by bank transfer on that date and the balance was to be paid on 30 June 2021.

(continued on the next page)

Turn over

18. continued.

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.

Rafiq prepares financial statements to 31 January.

(continued on the next page)

Turn over

18. continued.

**(d) (i) Calculate the carrying value
of the motor vehicle at
1 December 2020.**

(2 marks)

(continued on the next page)

Turn over

18. (d) continued.

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

**Prepare the motor vehicle
disposal account in the
Data Book.**

(6 marks)

(Total for Question 18 = 15 marks)

TOTAL FOR SECTION B = 75 MARKS

TOTAL FOR PAPER = 100 MARKS

END OF PAPER
