

Paper Reference 4AC1/02
Pearson Edexcel
International GCSE

Total Marks

Accounting

Level 1/2

PAPER 2: Financial Statements

Time: 1 hour 15 minutes plus your additional time allowance.

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

Surname					
Other names					
Centre Number					
Candidate Number					

Y66469A

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.

Turn over

INFORMATION

The total mark for this paper is 50

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.

There may be spare copies of some data sheets.

Turn over

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.

5

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

Turn over

- 1. Look at the information for Question 1 in the Data Book. Leo, a manufacturer, provided the information shown in the Data Book for the year ended 31 March 2021.**

Plant and machinery is depreciated at 20% per annum using the reducing balance method.

Premises are depreciated at 10% per annum using the straight line method.

(continued on the next page)

Turn over

1. continued.

Both electricity and depreciation on premises are apportioned 75% to the factory.

**(a) Prepare the manufacturing account for the year ended 31 March 2021.
(15 marks)**

Leo

Manufacturing account for the year ended 31 March 2021

Answer lines are on the next three pages.

Turn over

1. (a) continued.

Turn over

1. (a) continued.

Turn over

1. (a) continued.

(continued on the next page)

Turn over

1. continued.

**(b) Prepare an extract of the income statement for the year ended 31 March 2021 showing the trading section only.
(5 marks)**

Leo

**Income statement for the
year ended 31 March 2021**

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

Turn over

1. (b) continued.

Turn over

1. (b) continued.

(continued on the next page)

Turn over

1. continued.

Leo believes that an increase in revenue for this year has led to an improvement in profitability, even though both his gross profit percentage and return on capital employed percentage have decreased.

**(c) Evaluate whether Leo is correct.
(5 marks)**

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

Turn over

1. (c) continued.

Turn over

1. (c) continued.

(Total for Question 1 = 25 marks)

Turn over

2. Look at the information for Question 2 in the Data Book. Amira, a sole trader, does not keep full accounting records. She has provided the information shown in the Data Book.

- (a) Prepare the statement of affairs (statement of financial position) at 1 April 2020.
(4 marks)**

Amira

**Statement of affairs at
1 April 2020**

Answer lines are on the next two pages.

Turn over

2. (a) continued.

Turn over

2. (a) continued.

(continued on the next page)

Turn over

2. continued.

**(b) Prepare the statement of affairs
(statement of financial position)
at 31 March 2021.
(11 marks)**

Amira

**Statement of affairs at
31 March 2021**

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

Turn over

2. (b) continued.

Turn over

2. (b) continued.

Turn over

2. (b) continued.

(continued on the next page)

Turn over

2. continued.

(c) Look at the table for

Question 2(c) in the Data Book.

Prepare the equity account in the

Data Book for the year ended

31 March 2021 to show the

profit or loss for the year.

(5 marks)

(continued on the next page)

Turn over

2. continued.

(d) Explain, referring to a relevant accounting concept, why Amira:

**(i) introduced a provision for irrecoverable debts
(2 marks)**

(continued on the next page)

Turn over

2. (d) continued.

(ii) used the reducing balance method rather than the straight line method of depreciating her motor vehicle.

(3 marks)

Answer lines continue on the next page.

Turn over

2. (d) (ii) continued.

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS

END OF PAPER
