Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Monday 12 May 2025

Afternoon (Time: 2 hours)

Paper reference **4WAC1/01R**

Accounting (Modular)

Level 1/2

UNIT 1: Introduction to Bookkeeping and Accounting

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Calculators may be used.

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.

Turn over

Pearson

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 put a cross in the box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 Which document indicates a business's intention to buy goods from a supplier?

☒ **A** Credit note

☒ **B** Purchase invoice

☒ **C** Purchase order

☒ **D** Remittance advice

(Total for Question 1 = 1 mark)

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2 When would a business issue an invoice?

☒ **A** Goods returned by a cash customer

☒ **B** Goods returned by a credit customer

☒ **C** Goods sold to a cash customer

☒ **D** Goods sold to a credit customer

(Total for Question 2 = 1 mark)

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3 Which book of original entry is used to record the purchase of a non-current asset on credit?

☒ **A** Cash book

☒ **B** Journal

☒ **C** Petty cash book

☒ **D** Purchases day book

(Total for Question 3 = 1 mark)

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4 Which account balance could appear on either the debit side or the credit side of a trial balance?

☒ **A** Bank

☒ **B** Cash

☒ **C** Drawings

☒ **D** Equity

(Total for Question 4 = 1 mark)

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5 When is a suspense account opened?

☒ **A** Business makes a loss for the year

☒ **B** Business makes a profit for the year

☒ **C** Trial balance balances

☒ **D** Trial balance does not balance

(Total for Question 5 = 1 mark)

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6 When would a business allow a customer a cash discount?

☒ **A** Customer had purchased previously

☒ **B** Customer paid in cash

☒ **C** Customer paid their account within stated time

☒ **D** Customer purchased a large amount of goods

(Total for Question 6 = 1 mark)

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7 Which of the following pairs of accounts always has a credit balance?

☒ **A** Assets and expenses

☒ **B** Equity and expenses

☒ **C** Income and assets

☒ **D** Liabilities and income

(Total for Question 7 = 1 mark)

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8 Which type of business organisation does **not** have as its main objective to make profits?

☒ **A** Partnership

☒ **B** Private sector organisation

☒ **C** Public sector organisation

☒ **D** Sole trader

(Total for Question 8 = 1 mark)

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9 Which accounting concept is described in the statement:

"Every business is regarded as having an existence separate from that of its owner"?

☒ **A** Business entity

☒ **B** Consistency

☒ **C** Materiality

☒ **D** Prudence

(Total for Question 9 = 1 mark)

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10 Which principle of professional ethics is being described in the statement:

"Accountants must be straightforward and honest in all their dealings"?

☒ **A** Confidentiality

☒ **B** Integrity

☒ **C** Objectivity

☒ **D** Professional competence

(Total for Question 10 = 1 mark)

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11 Complete the document where indicated.

Invoice **Novura Trading Co** **Ho Chi Minh City** **Vietnam**			
All Media Ltd Petronas Towers Kuala Lumpur		Invoice No: 9999 Date: 1 May 2025	
Description	Quantity	Unit cost $	Total cost $
3 core cable	150	5.00	(i)
2 core cable	400	2.20	(ii)
Subtotal			(iii)
Trade discount 20%			(iv)
Total			(v)
Terms: 5% discount for 30 days settlement.			

(Total for Question 11 = 5 marks)

12 Identify, indicating with a tick (✓), whether **each** item would be classified as capital expenditure or revenue expenditure.

	Capital expenditure	**Revenue expenditure**
Purchase of new machinery		
Machinery repairs		
Legal fees paid for factory extension		
Painting sign on new vehicle		
Repainting sign on vehicle		

(Total for Question 12 = 5 marks)

13 (a) State **two** methods of calculating depreciation.

(2)

1 ....

2 ....

(b) State **two** reasons why non-current assets depreciate.

(2)

1 ....

2 ....

(c) State **one** accounting concept which applies when depreciating non-current assets.

(1)

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(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

SECTION B

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

14 On 1 January 2025, Tariq started in business. On that day he:

- purchased goods for resale, $2 400, and office equipment, $5 000, which were paid for from his own monies
- received a bank loan, $3 000, which he paid into the business bank account
- paid $5 000 of his own money into the business – $250 into petty cash and the remainder into the bank account.

(a) Prepare the opening journal entry on 1 January 2025.

A narrative is **not** required.

(6)

Journal

Date	Account	Debit $	Credit $
January 1			

During January 2025, the following expenses were paid from petty cash.

Jan		**$**
2	Postage stamps	12
5	Taxi fare	6
10	Stationery	21
18	Office cleaner	30
24	Printer ink	15
28	Train fare	26

On 31 January 2025, Tariq withdrew an amount from the business bank account to restore the petty cash book to its opening balance.

(b) Prepare the petty cash book for the month of January 2025. Balance the petty cash book on 31 January 2025 and bring the balance down on 1 February 2025.

(9)

Petty Cash Book

Receipts $	Date	Details	Total $	Postage and stationery $	Travel $	Cleaning $

(Total for Question 14 = 15 marks)

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15 On 30 April 2025, a trader identified the following errors.

1	The purchase of a motor vehicle had been entered in the motor expenses account.
2	A payment to George, a credit supplier, had been recorded on the debit side of the bank account and the credit side of George's account.
3	A credit sale to Dalton had been posted to David's account.
4	No entries had been made for goods taken by the owner for their own use.
5	A sales invoice, \$320, had been recorded as \$230 in the sales day book.

Complete the table below to indicate the type of error and the double entry required to correct **each** error.

	Type of error	**Account to be debited**	**Account to be credited**
1			
2			
3			
4			
5			

(Total for Question 15 = 15 marks)

16 (a) Identify, indicating with a tick (✓), whether **each** item would be entered on the debit side or the credit side of a cash book.

(8)

	Debit side	**Credit side**
Bank charges		
Cash drawings by owner		
Customer cheque dishonoured		
Electricity paid by direct debit		
Electronic receipt from a credit customer		
Interest charged on overdraft		
Interest received		
Refund from a supplier by cheque		

On 28 February 2025, Malla's cash book showed a balance of $3 200 (Dr).

On the same date, he downloaded a copy of his bank statement which showed a balance of $2 215 (Cr).

The bank advised him that a cheque received from FG Holdings, $340, had been returned by the bank unpaid.

He identified the following transactions that had not yet been processed by the bank:

- the takings from the last day of the month, $1 750
- two cheques issued during the month had not yet been presented to the bank for payment:
  - AB Supplies $430
  - TW Engineers $675

(b) Prepare a bank reconciliation statement at 28 February 2025.

(5)

Malla

Bank Reconciliation Statement at 28 February 2025

	$
Balance as per cash book	

(c) State **two** reasons why a bank may refuse to pay a cheque received.

(2)

1 ....

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2 ....

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(Total for Question 16 = 15 marks)

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17 On 31 March 2025, Raj's trade payables control account had a credit balance of $6 825
On the same date, the total trade payables in the payables ledger amounted to $5 490

After an investigation, Raj identified the following errors and omissions.

1. The list of balances extracted from the payables ledger omitted a balance of $560 owed to Arjena.
2. A payment to a credit supplier, $350, had been recorded correctly in the cash book but had not been recorded in the supplier's account.
3. A cash discount received from a supplier, $35, had been recorded correctly in the cash book but had been entered on the incorrect side of the supplier's account.
4. An allowance for faulty goods received from a supplier, $65, had been correctly recorded in the purchases returns book but had not been posted to the supplier's account.
5. Raj had purchased goods on credit from Sinitta costing $1 260. These had been correctly entered in the purchases book but not posted to the account of Sinitta.
6. A contra entry with a credit customer, $125, had not been recorded in the journal.

(a) Complete the table below to reconcile the total of the payables ledger on 31 March 2025 with the balance of the trade payables control account.

(8)

	$
Total of payables ledger balances	
1	
2	
3	
4	
5	
6	
Trade payables control account balance	

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(b) Explain how the preparation of a trade payables control account can help to prepare a statement of financial position.

(2)

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(c) Advise Raj whether he should purchase a computerised accounting package.

(5)

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(Total for Question 17 = 15 marks)

18 (a) State the accounting concept that applies when accounting for other payables and other receivables.

(1)

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On 1 March 2024, Jeremiah was owed $430 for commission received.

During the year ended 28 February 2025, he received the following payments by bank transfer for commission received.

Date	Amount $
31 May 2024	520
31 August 2024	480
30 November 2024	600

On 28 February 2025, the payment for the fourth quarter, $540, had not been received.

(b) Prepare the commission received account for the year ended 28 February 2025. Balance the account at that date and bring the balance down on 1 March 2025.

(6)

Commission Received Account

Date	Details	$	Date	Details	$

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(c) Identify, indicating with a tick (✓), the effect on **each** item for the year ended 28 February 2025 if Jeremiah had mistakenly treated commission received as commission paid.

(3)

	Increase	**Decrease**	**No effect**
Gross profit			
Profit for the year			
Equity			

Jeremiah is considering expanding his business and forming a partnership with another trader.

(d) Advise Jeremiah whether he should proceed with this proposal.

(5)

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(Total for Question 18 = 15 marks)

TOTAL FOR SECTION B = 75 MARKS
TOTAL FOR PAPER = 100 MARKS

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