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Pearson Edexcel		Centre Number	Candidate Number
International GCSE		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<h1 style="margin: 0;">Accounting</h1>			
<h2 style="margin: 0;">Paper 1</h2>			
Wednesday 27 January 2016 – Afternoon		Paper Reference	
Time: 2 hours 30 minutes		4AC0/01	
You do not need any other materials.			Total Marks
			<input style="width: 100%; height: 100%;" type="text"/>

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.*

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.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Write your answers neatly in good English.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

SECTION A**Answer ALL questions.**

Some questions must be answered with a cross in a 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 transaction would be recorded in the sales ledger?

- A** sale of a fixed asset for cash
- B** sale of goods for cash
- C** sale of a fixed asset on credit
- D** sale of goods on credit

(Total for Question 1 = 1 mark)

2 Which transaction would be recorded in the purchases journal?

- A** purchase of goods for cash
- B** purchase of goods on credit
- C** purchase of machinery on credit
- D** purchase of stationery for cash

(Total for Question 2 = 1 mark)

3 Where is the total of the discount recorded on the debit side of a cash book posted?

- A** credit discount allowed account
- B** credit discount received account
- C** debit discount allowed account
- D** debit discount received account

(Total for Question 3 = 1 mark)

4 Which of the following transactions represents capital expenditure to a sole trader?

- A** additional capital invested by the owner
- B** cash withdrawn by the owner
- C** expenditure on the improvement of fixed assets
- D** expenditure to finance day to day expenses

(Total for Question 4 = 1 mark)

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5 Which item would **not** appear in the manufacturing account?

- A cost of goods sold
- B cost of production
- C prime cost
- D work in progress

(Total for Question 5 = 1 mark)

6 Which of the following is a factory overhead?

- A carriage inwards on raw materials
- B factory supervisor's salary
- C hire of special machinery
- D manufacturing wages

(Total for Question 6 = 1 mark)

7 In the absence of a partnership agreement which statement is correct?

- A partners receive interest on drawings
- B partners are charged interest on drawings
- C partners receive equal monthly salaries
- D partners receive equal shares of profits and losses

(Total for Question 7 = 1 mark)

8 What are the entries to record the interest on a loan from a partner?

	Account debited	Account credited
<input type="checkbox"/> A	appropriation	current
<input type="checkbox"/> B	current	appropriation
<input type="checkbox"/> C	current	profit and loss
<input type="checkbox"/> D	profit and loss	current

(Total for Question 8 = 1 mark)



9 When would a limited company pay an interim dividend?

- A at the beginning of the year
- B at the end of the year
- C during the year
- D when a profit has been made

(Total for Question 9 = 1 mark)

10 Which accounting concept is being applied when a business uses the same method of depreciation each year?

- A business entity
- B consistency
- C money measurement
- D prudence

(Total for Question 10 = 1 mark)

TOTAL FOR SECTION A = 10 MARKS

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SECTION B**Answer ALL questions.****11** Robin Bird, a sole trader, maintains a full set of accounting books.

- (a) State **one** source document Robin would use to record transactions in **each** of the following books of original entry.

(4)

Book of original entry	Document
Cash book	
Petty cash book	
Purchases book	
Returns outwards book	

During the month of October 2015 the following transactions took place.

October	
2	Bought goods on credit from C Jay, £320.
7	Bought goods on credit from R Swallow, £392.
9	Bought goods on credit from C Jay, £494.
15	Returned goods to C Jay, £73.
21	Paid to C Jay the balance owing on his account on 1 October 2015, £686.
31	Returned goods to R Swallow, £47.

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(b) Prepare the account of C Jay, in the books of Robin Bird, for the month of October 2015. Balance the account at that date and bring the balance down on 1 November 2015.

On 1 October 2015 Robin Bird owed £686 to C Jay.

(6)

C Jay Account

Date	Narrative	£	Date	Narrative	£

(c) Prepare the statement of account that C Jay would send to Robin Bird for the month of October 2015.

(6)

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At the year end of 31 October 2015 Robin provided the following information.

Debtors at 1 November 2014	£35 000	Debtors at 31 October 2015	£45 000
Creditors at 1 November 2014	£25 600	Creditors at 31 October 2015	£32 600
Credit Sales for year ended 31 October 2015 £252 693			
Credit purchases for year ended 31 October 2015 £237 980			

(d) Calculate the debtors' collection period and the creditors' payment period (in days). (4)

Debtors collection period

Formula	Calculation

Creditors payment period

Formula	Calculation

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(e) Using your answers to (d), evaluate the effect on the business's liquidity of the debtors collection period and creditors payment period.

(5)

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(Total for Question 11 = 25 marks)

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- 12 On 31 December 2015 the following balances were extracted from the books of Pip, a sole trader.

Account	Balance
	£
Bad debts	3 200
Business rates	4 650
Carriage inwards	12 318
Carriage outwards	28 663
Fixtures and fittings – cost	20 000
General expenses	23 897
Insurance	4 322
Motor expenses	27 690
Motor vehicles – cost	30 000
Opening stock	45 000
Premises – cost	250 000
Provision for depreciation – fixtures and fittings	5 000
Provision for depreciation – motor vehicles	10 000
Purchases	324 897
Returns outwards	12 579
Sales	487 600

The following additional information at 31 December 2015 should be taken into account.

- Stock was valued at £56 346.
- The purchase of a new motor vehicle, £12 000, has been included in the motor expenses account.
- Depreciation on fixed assets is to be provided for as follows:
 fixtures and fittings 10% per annum using the straight line method
 motor vehicles 25% using the reducing balance method
 it is company policy to provide a full year's depreciation on all assets held at the year end.
- On 31 December 2015 business rates, £500, were accrued and insurance, £322, was prepaid.
- During the year Pip had withdrawn stock to the value of £3 290 for his own personal use.

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(b) Making appropriate reference to the accounting concepts that you have used, explain your treatment of additional information (4) and (5).

(5)

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(Total for Question 12 = 25 marks)

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13 At the year end of 30 September 2015 the trial balance of Havisham, a sole trader, balanced. During the following month the following errors were discovered.

(a) Complete the following table to show the type of error in each case.

(3)

Error	Type of Error
A sale of goods on credit, £350, to Z Malik had not been recorded in the books.	
A cheque received from L Payne, a debtor, had been entered in the accounts as £182, instead of the correct figure of £128.	
A payment to R Charles a supplier, £732, had been entered in the account of R Charters.	

(b) Prepare journal entries to correct these errors. Narratives are not required.

(6)

The Journal

	Debit £	Credit £

(c) State **one** other use of the general journal in addition to correction of errors.

(1)

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(Total for Question 13 = 10 marks)



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- 14 The Great Expectations Mountaineering Club held the following assets and liabilities on 1 August 2014.

	£
Climbing equipment at valuation	5 000
Subscriptions in advance	240
Subscriptions in arrears	75
Stock of refreshments	1 560
Cash in hand	216
Bank overdraft	841
Clubhouse rent in advance	230

- (a) Complete the following trial balance at 1 August 2014 showing the value of the accumulated fund at this date.

(9)

**The Great Expectations Mountaineering Club
Trial balance at 1 August 2014**

	Debit £	Credit £
Climbing equipment at valuation		
Subscriptions in advance		
Subscriptions in arrears		
Stock of refreshments		
Cash in hand		
Bank overdraft		
Clubhouse rent in advance		
Accumulated fund		



During the year ended 31 July 2015, the club received subscriptions totalling £3 560. All subscriptions owing on 1 August 2014 were paid during the year. On 31 July 2015, subscriptions owing were £85. There were no subscriptions paid in advance on that date.

(b) Prepare the club subscriptions account for the year ended 31 July 2015. Balance the account on that date and bring the balance down on **1 August 2015**.

(6)

Subscriptions Account

Date	Narrative	Amount (£)	Date	Narrative	Amount (£)

(Total for Question 14 = 15 marks)

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- 15 (a) Complete the table below by placing a cross ☒ to indicate whether the item would be entered on the debit side or credit side of a cash book.

(8)

	Debit Side	Credit Side
Bank charges	☒	☒
Credit transfer	☒	☒
Direct debit	☒	☒
Dishonoured cheque	☒	☒
Dividend received	☒	☒
Interest earned	☒	☒
Interest on overdraft	☒	☒
Standing order	☒	☒

On 1 December 2015 the cash book of Copperfield, a sole trader, showed a debit balance of £1 780. On the same date a bank statement was received which showed a credit balance of £2 075.

Further investigation revealed that on that date there were uncleared lodgements of £380 and two unpresented cheques: number 12578, £425, and number 12780, £250.

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(b) Prepare a bank reconciliation statement as at 1 December 2015.

(7)

Copperfield

Bank Reconciliation Statement as at 1 December 2015

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(Total for Question 15 = 15 marks)

**TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 100 MARKS**

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