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Please check the examination details below before entering your candidate information

Candidate surname	Other names

Pearson Edexcel International GCSE

Centre Number | Candidate Number

Time 2 hours

Paper reference **4AC1/01**

Accounting

Level 1/2
PAPER 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.
- Good luck with your examination.

Turn over ▶

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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 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 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

(Total for Question 1 = 1 mark)

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

(Total for Question 2 = 1 mark)

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

(Total for Question 3 = 1 mark)

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

- ☒ **A** Confidentiality
- ☒ **B** Duality
- ☒ **C** Integrity
- ☒ **D** Objectivity

(Total for Question 4 = 1 mark)

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

(Total for Question 5 = 1 mark)

6 Identify which account always has a credit balance.

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

(Total for Question 6 = 1 mark)

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

(Total for Question 7 = 1 mark)

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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

(Total for Question 8 = 1 mark)

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

(Total for Question 9 = 1 mark)

10 Identify the double entry to record monies withdrawn from the bank for personal use.

		Account to be Debited	**Account to be Credited**
☒	**A**	Bank	Cash
☒	**B**	Bank	Drawings
☒	**C**	Drawings	Bank
☒	**D**	Drawings	Cash

(Total for Question 10 = 1 mark)

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11 Leon produced the following invoice.

Complete the document where indicated.

Invoice **Leon** **Spring Street** **Newport** **NP19 3HS**			
Phoenix 22 Kerry Drive Bradford BD8 6GK		No. 3240	
		Date 29 March 2021	
Quantity	Description	Unit cost $	Total cost $
6	Mobile phones	85.50	.....
36	USB cables	2.20	.....
Subtotal			.....
Trade discount 25%			.....
Total			.....

(Total for Question 11 = 5 marks)

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12 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.

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

Rent Account

Date	Details	$	Date	Details	$

(Total for Question 12 = 5 marks)

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13 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.

Prepare a bank reconciliation statement at 30 April 2021.

Daya
Bank Reconciliation Statement at 30 April 2021

	$
Updated balance in bank per cash book	

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

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SECTION B

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

14 Raheem maintains a three-column cash book.

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

The following transactions took place during April 2021.

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.

(a) Enter the transactions in the three-column cash book on **page 9**.

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

(10)

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Cash Book

Date 2021	Details	Discount $	Cash $	Bank $	Date 2021	Details	Discount $	Cash $	Bank $

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(b) Explain the benefits for Raheem of maintaining a petty cash book.

(5)

(Total for Question 14 = 15 marks)

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QUESTION 15 BEGINS ON THE NEXT PAGE.

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15 Chen provided the following information for the month ended 31 March 2021.

	$
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
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**

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(a) Prepare the trade receivables ledger control account for the month ended 31 March 2021. Balance the account on this date and bring the balance down on 1 April 2021.

(9)

Trade Receivables Ledger Control Account

Date 2021	Details	$	Date 2021	Details	$
1 Mar	Balance b/d	56 240			

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(b) Prepare the trade payables ledger control account for the month ended 31 March 2021. Balance the account on this date and bring the balance down on 1 April 2021.

(6)

Trade Payables Ledger Control Account

Date 2021	Details	$	Date 2021	Details	$
			1 Mar	Balance b/d	42 580

(Total for Question 15 = 15 marks)

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QUESTION 16 BEGINS ON THE NEXT PAGE.

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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.
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.

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

(1)

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(b) Prepare journal entries to correct **each** of the errors.

Narratives are **not** required.

(9)

Date 2021	Error	Details	Debit $	Credit $
31 March	**1**			
	2			
	3			
	4			

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

(5)

(Total for Question 16 = 15 marks)

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QUESTION 17 BEGINS ON THE NEXT PAGE.

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

(2)

.....

.....

.....

.....

(b) Identify, indicating with a tick (✓), the classification of each of the following in the statement of financial position.

(i) Rent expense prepaid

(1)

Other payables	
Other receivables	
Provision	

(ii) Wages accrued

(1)

Other payables	
Other receivables	
Provision	

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(c) Complete the table below, indicating with a tick (✓) where each would appear in the statement of financial position.

(3)

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Other payables				
Other receivables				
Provision for irrecoverable debts				

(d) Complete the table below to show the source document and the book of original entry for **each** transaction.

(8)

Transaction	Source document	Book of original entry
Paid bank charges		
Returned damaged goods to a credit supplier		
Purchased a new motor vehicle on credit		
Payment to a supplier by credit transfer		

(Total for Question 17 = 15 marks)

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

(4)

Difference 1

Difference 2

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

(2)

1

2

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

(1)

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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.

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.

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

(2)

.....

.....

.....

.....

(ii) Prepare the motor vehicle disposal account.

(6)

Motor Vehicle Disposal Account

Date	Details	$	Date	Details	$

(Total for Question 18 = 15 marks)

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

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