www.dynamicpapers.com

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Time 2 hours

Paper reference **4AC1/01R**

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.

Turn over ▶

P71573A

©2022 Pearson Education Ltd.

Q:1/1/1/1/

P 7 1 5 7 3 A 0 1 2 4

Pearson

www.dynamicpapers.com

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 which is an asset.

- ☒ **A** Bank overdraft
- ☒ **B** Other payables
- ☒ **C** Other receivables
- ☒ **D** Trade payables

(Total for Question 1 = 1 mark)

2 Identify which account is maintained in the trade receivables ledger.

- ☒ **A** Customer's account
- ☒ **B** Purchases account
- ☒ **C** Sales account
- ☒ **D** Supplier's account

(Total for Question 2 = 1 mark)

3 Identify which source document would show bank interest paid.

- ☒ **A** Bank statement
- ☒ **B** Cheque counterfoil
- ☒ **C** Credit note
- ☒ **D** Invoice

(Total for Question 3 = 1 mark)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

4 Identify which statement is correct.

A bank reconciliation statement is:

- ☒ **A** a record of bank charges
- ☒ **B** part of the double entry
- ☒ **C** prepared by the bank
- ☒ **D** prepared by the trader

(Total for Question 4 = 1 mark)

5 Identify which account always has a debit balance.

- ☒ **A** Bank loan
- ☒ **B** Drawings
- ☒ **C** Equity
- ☒ **D** Interest received

(Total for Question 5 = 1 mark)

6 Identify where an expense owing is shown in the statement of financial position.

- ☒ **A** Current assets: Other payables
- ☒ **B** Current assets: Other receivables
- ☒ **C** Current liabilities: Other payables
- ☒ **D** Current liabilities: Other receivables

(Total for Question 6 = 1 mark)

7 Identify where the total of the discounts column on the credit side of a three column cash book is posted.

- ☒ **A** Credit discount allowed
- ☒ **B** Credit discount received
- ☒ **C** Debit discount allowed
- ☒ **D** Debit discount received

(Total for Question 7 = 1 mark)

www.dynamicpapers.com

8 Identify which is recorded on the debit side of a trade receivables ledger control account.

- ☒ **A** Customer's returned cheque
- ☒ **B** Discount allowed
- ☒ **C** Irrecoverable debt
- ☒ **D** Returns inward

(Total for Question 8 = 1 mark)

9 Identify the effect on the financial statements when a trader does not account for expenses owing.

- ☒ **A** Gross profit overstated
- ☒ **B** Gross profit understated
- ☒ **C** Other payables overstated
- ☒ **D** Other payables understated

(Total for Question 9 = 1 mark)

10 Identify the correct entry when a trader purchases goods for resale using their own cash.

	Account to be debited	Account to be credited
☒ **A**	Cash	Purchases
☒ **B**	Equity	Purchases
☒ **C**	Purchases	Cash
☒ **D**	Purchases	Equity

(Total for Question 10 = 1 mark)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

11 Complete the document.

Invoice **Alex Supplies** **Chatsworth Road** **Hull** **HU5 6RP**			
Travco Market Street Brighton BN1 6AM		Invoice No: 23806	
		Date: 20 March 2022	
Description	Quantity	Unit cost $	Total cost $
Jackets	12	22.50	
Trousers	18	19.20	
Subtotal			
Trade discount 15%			
Total			

(Total for Question 11 = 5 marks)

12 Identify the book of original entry for **each** transaction.

Transaction	Book of original entry
Sale of goods on credit	
Bank interest paid	
Goods returned to a credit supplier	
Payment to a credit supplier	
Purchase of a non-current asset on credit	

(Total for Question 12 = 5 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

13 A trader maintains a provision for irrecoverable debts of 5% of trade receivables.

On 1 April 2021 the balance of the provision for irrecoverable debts account was $950

On 31 March 2022 trade receivables were $24 200, including an irrecoverable debt of $460 that was to be written off.

Prepare the provision for irrecoverable debts account for the year ended 31 March 2022. Balance the account on this date and bring the balance down on 1 April 2022.

Provision for Irrecoverable Debts Account

Date	Details	$	Date	Details	$

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

www.dynamicpapers.com

SECTION B

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

14 (a) State **two** purposes of preparing a trial balance.

(2)

1 .....

2 .....

(b) State **one** difference between:

(i) an error of commission and an error of principle

(2)

.....

.....

.....

.....

(ii) an error of original entry and an error of omission.

(2)

.....

.....

.....

.....

(c) Identify, indicating with a tick (✓), where each account balance would be shown in a trial balance.

(4)

Account	**Trial balance**	
	Debit $	**Credit $**
Carriage inwards		
Carriage outwards		
Returns inwards		
Returns outwards		

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(d) Identify which principle of professional ethics is being described.

(2)

	Principle of professional ethics
Accountants must operate in a straightforward and honest manner.	
Accountants must be free from bias or conflict of interest.	

(e) Identify which accounting concept is being applied in **each** scenario.

(3)

Scenario	**Accounting concept**
A trader uses the same method of depreciation each year.	
A trader makes an adjustment in the financial accounts for amounts paid in advance.	
A trader records the purchase of an item of stationery as a business expense.	

(Total for Question 14 = 15 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

15 (a) State **two** reasons why a business maintains a petty cash book.

(2)

1 .....

.....

2 .....

.....

Bharti maintains a petty cash book with a float of $120

The following transactions took place in March 2022.

March 2022	Voucher number	Transaction	$
3	2360	Purchased postage stamps	21.60
9	2361	Purchased stationery	32.30
18	2362	Paid travel expenses	9.20
22	2363	Paid office cleaner	20.00
29	2364	Paid taxi fare	15.00
31		Restored the petty cash float	**To be calculated**

(b) Prepare the petty cash book for the month ended 31 March 2022.

Balance the petty cash book on this date and bring the balance down on 1 April 2022.

(11)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

Petty Cash Book

Receipts $	Date 2022	Details	Voucher number	Payments $	Travel $	Postage & stationery $	Cleaning $

www.dynamicpapers.com

www.dynamicpapers.com

On 1 April 2022, Bharti counted the petty cash and found that it was $10 less than the balance in the petty cash book.

(c) State **two** reasons why this shortage may have occurred.

(2)

1 .....

.....

2 .....

.....

(Total for Question 15 = 15 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

16 Karl provided the following information for the month ended 31 March 2022.

	$
Trade payables ledger balances at 1 March 2022 Credit balances Debit balances	 38 450 165
Trade payables ledger balances at 31 March 2022 Credit balances Debit balances	 **To be calculated** 50
Cash purchases	4 210
Contra/set off trade receivables ledger	325
Credit purchases	28 240
Discount allowed	515
Discount received	280
Interest charged by credit suppliers	65
Payments to credit suppliers	31 400
Returns inwards	180
Returns outwards	390

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(a) Prepare the trade payables ledger control account for the month ended 31 March 2022. Balance the account on this date and bring the balances down on 1 April 2022.

(10)

Trade Payables Ledger Control Account

Date 2022	Details	$	Date 2022	Details	$

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(b) Explain to a business the advantages of preparing a trade payables ledger control account.

(5)

(Total for Question 16 = 15 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

17 (a) State **one** difference between capital expenditure and revenue expenditure.

(2)

.....

.....

(b) Identify, indicating with a tick (✓), how **each** item would be treated when a new motor van is purchased for use in the business.

(3)

	Capital expenditure	**Revenue expenditure**
Installed shelving in van		
Motor insurance		
Signwriting on van		

Guy prepares his financial statements to 31 January.

On 1 February 2021, the balances on the motor vans accounts were:

Cost $146 000
Provision for depreciation $68 000

On 1 August 2021, Guy sold a motor van that he had purchased for $36 000 on 1 August 2019. He received a cheque for $25 000 in full settlement.

On 1 September 2021, Guy purchased a new motor van for $49 000 paid for by bank transfer.

Motor vans are depreciated at 20% per annum using the reducing balance method. A full year's depreciation is charged in the year of purchase but none in the year of disposal.

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(c) Prepare the following accounts for the year ended 31 January 2022.

(10)

Motor Vans - Cost Account

Date	Details	$	Date	Details	$

Disposal Account

Date	Details	$	Date	Details	$

(Total for Question 17 = 15 marks)

www.dynamicpapers.com

18 On 31 January 2022 Karmele's bank statement balance did not agree with her cash book balance.

She identified that the following items on the bank statement had not been entered in the cash book.

Date 2022	Details	$
Jan 19	Direct debit – Vertigo	75
27	Credit transfer – Jacques	260
29	Customer dishonoured cheque – Booth	110

(a) Prepare the cash book to show the updated balance on 31 January 2022, bringing the balance down on 1 February 2022.

(5)

Cash Book - Bank Column

Date 2022	Details	$	Date 2022	Details	$
			Jan 31	Balance b/d	1 580

Karmele identified that the following items in the cash book had not yet appeared on the bank statement.

Date 2022	Details	$
Jan 28	Cheque payment 483240	66
30	Cheque payment 483241	350
31	Cash sales banked	185

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(b) Prepare a bank reconciliation statement at 31 January 2022.

(5)

Bank reconciliation statement at 31 January 2022

	$	$
Balance per updated cash book		

(c) Explain to a business the advantages of preparing a bank reconciliation statement.

(5)

(Total for Question 18 = 15 marks)

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

www.dynamicpapers.com

BLANK PAGE

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

BLANK PAGE

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA