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Please check the examination details below before entering your candida formation

Candidate surname	Other names

Pearson Edexcel International GCSE

Centre Number | Candidate N er

Monday 4 May 2020

Morning (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.

Turn over ▶

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SECTION A

Answer ALL questions in this section. Write your answers in the spaces p ed.

For questions 1–10, choose an answer A, B, C or D, and put 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 document issued by the seller summarises the transactions for the month?

- ☒ **A** Credit note
- ☒ **B** Purchase invoice
- ☒ **C** Sales invoice
- ☒ **D** Statement of account

(Total for Question 1 = 1 mark)

2 Which is **not** an accounting concept?

- ☒ **A** Business entity
- ☒ **B** Confidentiality
- ☒ **C** Consistency
- ☒ **D** Materiality

(Total for Question 2 = 1 mark)

3 Which of these accounts always has a credit balance?

- ☒ **A** Carriage inwards
- ☒ **B** Carriage outwards
- ☒ **C** Discount allowed
- ☒ **D** Discount received

(Total for Question 3 = 1 mark)

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4 Which accounts are maintained in the payables ledger?

- ☒ **A** Creditors
- ☒ **B** Debtors
- ☒ **C** Purchases
- ☒ **D** Sales

(Total for Question 4 = 1 mark)

5 Which statement is **incorrect**?

- ☒ **A** Assets = liabilities + capital
- ☒ **B** Capital = assets – liabilities
- ☒ **C** Capital – liabilities = assets
- ☒ **D** Liabilities = assets – capital

(Total for Question 5 = 1 mark)

6 Which should be entered on the credit side of the trade receivables control account?

- ☒ **A** Credit sales
- ☒ **B** Discount allowed
- ☒ **C** Interest charged
- ☒ **D** Returns outwards

(Total for Question 6 = 1 mark)

7 What is the effect if capital expenditure is treated as revenue expenditure?

- ☒ **A** Gross profit overstated
- ☒ **B** Gross profit understated
- ☒ **C** Profit for the year overstated
- ☒ **D** Profit for the year understated

(Total for Question 7 = 1 mark)

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8 Identify when a customer would receive a cash discount.

- ☒ **A** Bulk purchases
- ☒ **B** Payment made by cash
- ☒ **C** Payment made within agreed time
- ☒ **D** Regular purchases

(Total for Question 8 = 1 mark)

9 Where is the total of the discount column on the debit side of a three-column cash book posted?

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

(Total for Question 9 = 1 mark)

10 What is the effect when a trader does not account for rent paid in advance?

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

(Total for Question 10 = 1 mark)

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11 Complete the document.

Invoice **GLK Ltd** **Moreton Road** **Norwich NR1 2BP**			
Frank Waites 22 Redland Drive Lewes BN7 2DH	Number: S2703		
	Date: 14 April 2020		
Description	Quantity	Unit cost $	Total cost $
Filing cabinets	8	64.55	.....
Office chairs	22	19.80	.....
Subtotal			.....
Trade discount 15%			.....
Total			.....
Terms: 2% discount for 30 days settlement.			

(Total for Question 11 = 5 marks)

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

Transaction	**Book of original entry**
Sales to a credit customer	
Returns from a credit customer	
Purchases from a credit supplier	
Purchase of a non-current asset on credit	
Payment to a credit supplier	

(Total for Question 12 = 5 marks)

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13 On 31 December 2019, Lewin sold a motor vehicle, cost $20 000, with a carry value of $16 000. The proceeds of the sale, $16 400, were received by cheque.

(a) Prepare the disposal account for the year ended 31 December 2019.

Disposal Account

Date	Details	$	Date	Details	$

(b) State **one** cause of depreciation of a non-current asset.

(1)

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(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

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SECTION B

Answer ALL questions in this section. Write your answers in the spaces p ed.

14 (a) State **two** reasons for maintaining a trade payables ledger control account.

(2

1 .....

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2 .....

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On 31 March 2020 Gali provided the following information related to credit s iers.

	$
Balance at 1 March 2020	16 250
Totals for the month	
Credit purchases	18 230
Returns outwards	615
Interest charged	30
Trade receivables ledger balance set off	465
Payments made	14 540
Discount received	235
Refund received	55

(b) Prepare the trade payables ledger control account for the month of March 2020. Balance the account on 31 March 2020 and bring the balance down on 1 April 2020.

(10)

Trade Payables Ledger Control Account

Date	Details	$	Date	Details	$

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(c) State **three** reasons why a business may receive a refund from a credit su r.

(3)

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(Total for Question 14 = 15 marks)

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15 Raheem has prepared the following incorrect trial balance.

(a) Prepare the corrected trial balance.

)

Trial balance at 30 April 2020

Account	Debit $	Credit $	Debit $	Credit $
Bank overdraft	3 850			
Carriage inwards		260		
Carriage outwards	830			
Discount allowed		1 010		
Drawings	8 400			
Equity		27 460		
General expenses	18 470			
Inventory at 1 May 2019		6 960		
Irrecoverable debts		380		
Property at cost	36 000			
Motor vehicles – cost – provision for depreciation	18 300	10 980		
Purchases	44 310			
Rent received	1 650			
Returns outwards	570			
Revenue		96 740		
Trade payables ledger control account	9 150			
Trade receivables ledger control account		15 480		
Suspense	17 740			
Totals	159 270	159 270		

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(b) Evaluate the benefits of preparing a trial balance.

(5)

(Total for Question 15 = 15 marks)

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

(2)

1 .....

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2 .....

.....

Juliet maintains a petty cash book with a float of $150

The following transactions took place during April 2020.

April	Voucher number	Transaction	$
5	401	Paid taxi fare	15.20
9	402	Purchased postage stamps	14.60
13	403	Paid employee travel expenses	25.00
22	404	Purchased envelopes	18.30
29	405	Paid cleaner's wages	30.00
30		Restored float to petty cash	**To be calculated**

(b) Prepare the petty cash book for the month ended 30 April 2020.

Balance the petty cash book on that date and bring the balance down on 1 May 2020.

(11)

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Petty cash book

Receipts $	Date 2020	Details	Voucher number	Payments $	Cleaning $	Stationery $	Travel $	Postage $

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(c) State **one** reason why the balance of the petty cash book at 1 May 2020 e different to the cash held.

(1)

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(d) State where in the statement of financial position at 1 May 2020 the balance of the petty cash book would be shown.

(1)

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(Total for Question 16 = 15 marks)

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QUESTION 17 BEGINS ON THE NEXT PAGE.

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17 (a) Complete the table below, indicating with a tick (✓) which account will be ited and which account will be credited when writing off an irrecoverable debt.

(2)

Account	Debit	Credit
Trade receivables control		
Irrecoverable debts		

(b) State **two** accounting concepts that apply when writing off an irrecoverable debt.

(2)

1 .....

2 .....

Nyan maintains a provision for irrecoverable debts of 5% of trade receivables.

On 1 March 2019 the balance of the provision for irrecoverable debts account was $1 845

On 29 February 2020 trade receivables were $42 520. This included $380 that Nyan considered to be irrecoverable.

(c) Calculate the balance of the provision for irrecoverable debts at 29 February 2020.

(2)

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(d) Prepare the provision for irrecoverable debts account for the year ended 29 February 2020. Balance the account at this date and bring down the bala on 1 March 2020.

Provision for Irrecoverable Debts Account

Date	Details	$	Date	Details	$

(e) Evaluate the reasons why it is necessary for a business to create a provision for irrecoverable debts.

(5)

(Total for Question 17 = 15 marks)

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18 (a) State **two** benefits of using technology in accounting.

(2)

1 .....

.....

2 .....

.....

(b) Complete the table, indicating with a tick (✓) how **each** item would be classified when purchasing hardware.

(3)

Item	Capital expenditure	Revenue expenditure
Installation cost		
Delivery cost		
Consumables		

A trader received a bank statement on 31 March 2020 showing a credit balance of $791. On the same date the cash book showed a debit balance of $1210.

The following had not been entered in the cash book:

- a standing order for insurance, $345
- bank interest received, $15
- a dishonoured cheque from Jones, $265

(c) Update the cash book showing the adjusted balance at 31 March 2020.

(4)

Cash book – bank column

Date	Details	$	Date	Details	$

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The following had not yet been processed by the bank:

- unpresented cheques, $656
- outstanding lodgements, $480

(d) Prepare a bank reconciliation statement at 31 March 2020.

(6)

Bank reconciliation statement at 31 March 2020

(Total for Question 18 = 15 marks)

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

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