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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 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 A trader issues a credit note. Where would he record it?

- ☒ **A** Purchases day book
- ☒ **B** Purchases returns day book
- ☒ **C** Sales day book
- ☒ **D** Sales returns day book

(Total for Question 1 = 1 mark)

2 Where are the personal accounts of customers buying goods on credit maintained?

- ☒ **A** Purchases day book
- ☒ **B** Sales day book
- ☒ **C** Trade payables ledger
- ☒ **D** Trade receivables ledger

(Total for Question 2 = 1 mark)

3 Where are the entries in the purchases day book taken from?

- ☒ **A** Credit notes
- ☒ **B** Purchase invoices
- ☒ **C** Purchase order
- ☒ **D** Statement of account

(Total for Question 3 = 1 mark)

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4 Which item would be recorded as a credit entry in 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 on late payment

(Total for Question 4 = 1 mark)

5 Where would the total discounts on the debit side of a cash book be posted?

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

(Total for Question 5 = 1 mark)

6 Which document from a supplier reduces the amount owed by a customer?

- ☒ **A** Credit note
- ☒ **B** Invoice
- ☒ **C** Purchase order
- ☒ **D** Statement

(Total for Question 6 = 1 mark)

7 Which account always has a credit balance?

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

(Total for Question 7 = 1 mark)

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8 Where would the purchase of a motor vehicle on credit be recorded?

- ☒ **A** Cash book
- ☒ **B** Journal
- ☒ **C** Petty cash book
- ☒ **D** Purchases day book

(Total for Question 8 = 1 mark)

9 Barney has $25 left in the petty cash box and vouchers totalling $35.

How much does Barney need to restore the imprest to $60?

- ☒ **A** $10
- ☒ **B** $25
- ☒ **C** $35
- ☒ **D** $60

(Total for Question 9 = 1 mark)

10 A payment for rent, $20, had been posted to the credit of the rent received account.

Which entry would correct the error?

	Debit		**Credit**	
☒ **A**	Rent paid Rent received	$20 $20	Suspense	$40
☒ **B**	Rent received	$20	Suspense	$20
☒ **C**	Suspense	$20	Rent paid	$20
☒ **D**	Suspense	$40	Rent paid Rent received	$20 $20

(Total for Question 10 = 1 mark)

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11 Complete the document.

(5)

Invoice **DH Trading** **25 Swallow Lane** **Birmingham** **B27 3MH**			
Myhill Co Westwood Road Beverley HU17 7AB		Invoice No 1503	
		Date 14 July 2020	
Quantity	Description	Unit Cost $	Total Cost $
150	Packing cases	6.80	.....
48	Rolls of tape	2.50	.....
Subtotal			.....
Trade discount 25%			.....
Total			.....

(Total for Question 11 = 5 marks)

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12 At 30 September 2020 the balance of Rashida's trade receivables ledger control account was $39 650. A debt of $730 due from Lee was irrecoverable.

(a) Prepare a journal entry in Rashida's books to write off the irrecoverable debt. A narrative is not required.

(2)

Date	Account	Debit $	Credit $
30/09/20			

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

At 1 October 2019 the balance of the provision for irrecoverable debts account was $1 635.

(b) Calculate the increase or decrease in the provision for irrecoverable debts at 30 September 2020.

(2)

.....

.....

.....

.....

(c) State in which section of the statement of financial position the provision for irrecoverable debts would appear.

(1)

.....

(Total for Question 12 = 5 marks)

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13 (a) State **two** benefits of preparing a bank reconciliation statement.

(2)

1 .....

2 .....

(b) Define the following terms.

(3)

Term	Definition
Unpresented cheques	
Outstanding lodgements	
Dishonoured cheque	

(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 provided.

14 (a) State **one** advantage and **one** disadvantage of preparing a trial balance.

(2)

Advantage

.....

.....

Disadvantage

.....

.....

(b) Complete the table, using a tick (✓), to identify in which column of the trial balance each item would be entered. The first item has been completed as an example.

(10)

	Debit	**Credit**
Inventory	✓	
Bank overdraft		
Carriage inwards		
Discount received		
Drawings		
Equity		
Machinery – provision for depreciation		
Provision for irrecoverable debts		
Rent received		
Returns inwards		
Trade receivables		

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(c) Identify the type of error in **each** scenario.

(3)

Scenario	Type of error
A payment for general expenses had been posted to the drawings account.	
A payment for stationery had been posted to the rent paid account.	
An invoice for $320 had been recorded in the purchases day book as $230.	

(Total for Question 14 = 15 marks)

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15 Lee maintains a three-column cash book. On 1 August 2020 the balances were: bank overdraft $248, cash $45

The following transactions took place in August 2020.

August	Transaction
3	Paid by direct debit to Mobilecom, $115
8	Cash sales, $1 420
9	Paid cash into the bank, $800
16	Paid Sophia by cheque, $475, in full settlement of an invoice after taking 5% cash discount.
23	Received a cheque from Folan, a credit customer, $225
28	Paid wages by cash, $540
29	Received notice from the bank that the cheque from Folan, $225, had been dishonoured.
30	Received a cheque from Chan in full settlement of an invoice for $880. Chan had taken a 5% cash discount.

(a) Enter the above transactions in the three-column cash book on page **11**.
Balance the cash book at 31 August 2020 and bring the balances down on 1 September 2020.

(15)

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Cash book

Date 2020	Details	Discount $	Cash $	Bank $	Date 2020	Details	Discount $	Cash $	Bank $

(Total for Question 15 = 15 marks)

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16 Eldin provided the following information relating to his trade receivables ledger control account for the month ended 31 August 2020.

	$
Credit sales	29 535
Customer overpayment refunded by cheque	160
Discount allowed	984
Interest charged	119
Irrecoverable debts	597
Receipts from credit customers	36 250
Returns inwards	380
Trade payables set-off	665
Credit balances at 31 August 2020	240

(a) Prepare the trade receivables ledger control account for the month ended 31 August 2020. Balance the account on this date and bring the balances down at 1 September 2020.

(10)

Trade Receivables Ledger Control Account

Date 2020	Details	$	Date 2020	Details	$
Aug 1	Balance b/d	46 220			

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Eldin currently makes all of his sales on a credit basis. He is considering making cash sales only in the future.

(b) Explain **one** advantage and **one** disadvantage of this proposal and advise Eldin whether or not he should make the change.

(5)

(Total for Question 16 = 15 marks)

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17 During the year ended 30 September 2020 the following cheque payments were made for rent at $300 per month.

Date paid	Period covered
1 November 2019	1 September 2019 to 31 December 2019
1 January 2020	1 January 2020 to 30 June 2020
1 July 2020	1 July 2020 to 31 December 2020

(a) Prepare the rent payable account for the year ended 30 September 2020. Balance the account on that date and bring the balance down on 1 October 2020.

(5)

Rent Payable Account

Date	Details	$	Date	Details	$

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(b) State, giving a reason, where the balance of the rent payable account in part (a) would appear in the statements of financial position at:

(i) 30 September 2019

(2)

.....

.....

.....

(ii) 30 September 2020

(2)

.....

.....

.....

(c) State **three** accounting concepts together with a brief description of each.

(6)

Accounting concept	Description

(Total for Question 17 = 15 marks)

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18 (a) Identify, indicating with a tick (✓), how **each** would be classified.

(3)

	Revenue expenditure	**Capital expenditure**
Machine delivery		
Machine installation		
Machine operatives' wages		

(b) Explain what distinguishes revenue expenditure from capital expenditure.

(5)

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Hunter started in business on 1 April 2018. On that date he purchased Machine A for $26 000 and on 1 December 2018 he purchased Machine B for $16 000.

Depreciation is charged at 10% 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.

(c) Calculate the balance on the machinery – provision for depreciation account at 31 March 2019.

(1)

.....

On 1 January 2020 Hunter sold Machine A for $18 000

(d) Calculate the profit or loss on the disposal of Machine A.

(2)

.....

.....

(e) Prepare the machinery – provision for depreciation account for the year ended 31 March 2020. Balance the account on this date and bring the balance down on 1 April 2020.

(4)

Machinery – Provision for Depreciation 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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