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Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Tuesday 16 May 2023

Afternoon (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 ▶

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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 the document that is sent to a customer at the end of the month requesting payment.

- ☒ **A** Credit note
- ☒ **B** Invoice
- ☒ **C** Receipt
- ☒ **D** Statement

(Total for Question 1 = 1 mark)

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2 Identify how the closing balance on a petty cash book is classified in the financial statements.

- ☒ **A** Current asset
- ☒ **B** Current liability
- ☒ **C** Non-current asset
- ☒ **D** Non-current liability

(Total for Question 2 = 1 mark)

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3 Identify which **one** of the following accounts would **always** have a debit balance.

- ☒ **A** Bank current
- ☒ **B** Bank deposit
- ☒ **C** Bank interest
- ☒ **D** Bank loan

(Total for Question 3 = 1 mark)

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4 Identify which **one** of the following is shown in the equity account.

- ☒ **A** Gross profit
- ☒ **B** Loss on disposal
- ☒ **C** Profit for the year
- ☒ **D** Profit on disposal

(Total for Question 4 = 1 mark)

5 Identify the effect of creating an allowance for doubtful debts.

- ☒ **A** Gross profit decreases
- ☒ **B** Gross profit increases
- ☒ **C** Profit for the year decreases
- ☒ **D** Profit for the year increases

(Total for Question 5 = 1 mark)

6 Identify the principle of professional ethics being described.

'Accountants must be straightforward, honest and truthful.'

- ☒ **A** Confidentiality
- ☒ **B** Integrity
- ☒ **C** Objectivity
- ☒ **D** Professional behaviour

(Total for Question 6 = 1 mark)

7 Identify which of the following are causes of depreciation.

1 Passage of time

2 Usage

3 Wear and tear

- ☒ **A** 1 and 2 only
- ☒ **B** 1 and 3 only
- ☒ **C** 2 and 3 only
- ☒ **D** 1, 2 and 3

(Total for Question 7 = 1 mark)

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8 Identify why a customer may be interested in the financial statements of a supplie

- ☒ **A** To ensure continuity of access to products
- ☒ **B** To ensure loans will be repaid
- ☒ **C** To know comparative business performance
- ☒ **D** To know the profit to be taxed

(Total for Question 8 = 1 mark)

9 Identify which **one** of the following is an 'other receivable'.

- ☒ **A** Rent expenditure
- ☒ **B** Rent expenditure owing
- ☒ **C** Rental income owing
- ☒ **D** Rental income in advance

(Total for Question 9 = 1 mark)

10 Identify the double entry to record the writing off of an irrecoverable debt.

	Account to be debited	Account to be credited
☒ **A**	Irrecoverable debts	Provision for irrecoverable debts
☒ **B**	Irrecoverable debts	Trade receivables ledger control
☒ **C**	Provision for irrecoverable debts	Irrecoverable debts
☒ **D**	Trade receivables ledger control	Irrecoverable debts

(Total for Question 10 = 1 mark)

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11 Identify the following from the invoice below.

Customer name	
Book of original entry to record invoice received	
Amount due if paid on 27 March 2023	
Amount due if paid on 10 April 2023	
Book of original entry to record payment made	

Invoice
XY Supplies, Charles Road, Hull HU5 6RP

Tisam Market Street Barnsley S75 6AM	Invoice no: 23806		
	Date: 20 March 2023		
Description	Quantity	Unit cost $	Total cost $
Spades	12	22.50	270.00
Forks	20	19.20	384.00
Subtotal			654.00
Trade discount 10%			65.40
Total			588.60
Terms: 5% cash discount for payment within 14 days			

(Total for Question 11 = 5 marks)

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12 (a) Identify, indicating with a tick (✓), which is a characteristic of **each** type of organisation.

(

Characteristic	Private sector	Public sector
Makes a profit		
Funded by the government		
Provides a service to the community		

(b) State **two** advantages of trading as a partnership.

(2)

1 .....

.....

2 .....

.....

(Total for Question 12 = 5 marks)

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13 On 31 March 2023 Xi's cash book showed a credit balance of $483

The bank statement on that date showed a credit transfer from Yung, $825, which had not been entered in the cash book.

At 31 March 2023, the following had not yet been processed by the bank:

- outstanding lodgements, $276
- unpresented cheques, $107

Prepare a bank reconciliation statement at 31 March 2023.

Xi
Bank Reconciliation Statement at 31 March 2023

	$
Updated cash book balance	

(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 Mitch maintains a full set of accounting records. During the last week of March 2023, the following transactions took place.

March 2023	Transaction
25	Sold goods on credit to Jay, $570
29	Goods returned by Jay, $85
30	Sold goods on credit to Mateta, $316
31	Sold goods for cash, $50

(a) Complete the following books of original entry for the month of March 2023.

(5)

Sales Day Book

March 2023	Customer	$
24	Total to date	3 194

Sales Returns Day Book

March 2023	Customer	$
24	Total to date	28

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On 1 March 2023 the balance of the sales account was $71 730

(b) Prepare the sales account for the year ended 31 March 2023 showing the transfer to the income statement.

(5)

Sales Account

Date	Details	$	Date	Details	$

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Mitch is considering introducing computerised accounting software.

(c) Evaluate whether he should proceed with this proposal.
You **must** include **both** advantages and disadvantages of the proposal.

(5)

(Total for Question 14 = 15 marks)

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15 Maura provided the following information.

	$
At 1 March 2023	
Trade payables ledger balance	28 120
For the month ended 31 March 2023	
Cash purchases	4 660
Credit purchases	177 750
Contra/set off to trade receivables ledger	730
Discount allowed	960
Discount received	610
Interest charged by suppliers	120
Payments to credit suppliers	165 740
Returns inwards	340
Returns outwards	570

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(a) Prepare the trade payables ledger control account for the month ended 31 March 2023. Balance the account on this date and bring the balance down on 1 April 2023.

(8)

Trade Payables Ledger Control Account

Date	Details	$	Date	Details	$

(b) State **one other** item that may appear in a trade payables ledger control account.

(1)

.....

(c) State in which section of the statement of financial position the balance of a trade payables ledger control account would appear.

(1)

.....

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(d) Explain **two** benefits to Maura of maintaining a trade payables ledger control account and advise her whether she should continue to prepare it.

(

(Total for Question 15 = 15 marks)

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16 (a) Prepare the trial balance at 31 March 2023.

Trial balance at 31 March 2023			
Account	**Balance $**	**Debit $**	**Credit $**
Bank overdraft	195		
Drawings	11 380		
Equity	21 750		
General expenses	20 110		
Inventory at 1 April 2022	23 060		
Motor expenses	2 015		
Motor vehicles – cost	95 880		
Motor vehicles – provision for depreciation	23 970		
Provision for irrecoverable debts	1 250		
Purchases	86 250		
Returns outwards	1 090		
Revenue	196 300		
Trade payables ledger control account	18 150		
Trade receivables ledger control account	24 010		
Total			

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(b) State the type of error made in **each** scenario.

Scenario	Type of error
A purchase invoice was not entered in the day book.	
A cash purchase was debited to the cash account and credited to the purchases account.	
Goods purchased on credit from Tessa had been posted to the account of Nessa.	
The purchase of a motor vehicle had been entered in the motor expenses account.	
The total of a sales invoice was incorrectly entered in the day book.	

The discount received account and discount allowed account had both been overstated by the same amount.

(c) Identify, indicating with a tick (✓), which account will be debited and which account will be credited in order to correct this error.

(2)

Account	Account to be debited	Account to be credited
Discount received		
Discount allowed		

(Total for Question 16 = 15 marks)

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17 Ashok maintains a three-column cash book.

On 1 March 2023 the balances were: cash $150, bank $2 720

The following transactions took place during March 2023.

March 2023	Transaction
8	Paid CPD, $992, by cheque in full settlement of an invoice of $1 009
19	Paid window cleaner by cash, $22
21	Received notice from the bank that a cheque from Tom, $310, had been dishonoured.
23	Received a credit transfer from Barnaby in full settlement of an invoice for $1 900. The receipt was after taking a 5% cash discount.
25	Sold goods for cash, $385
31	Banked cash, $225

(a) Complete the three-column cash book on page 21. Balance the cash book on 31 March 2023 and bring the balances down on 1 April 2023.

Dates and details **must** be shown.

(10)

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Cash Book									
Date 2023	**Details**	**Discount $**	**Cash $**	**Bank $**	**Date 2023**	**Details**	**Discount $**	**Cash $**	**Bank $**
March 1	Balance b/d		150	2720					

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(b) Identify the accounting concept being applied in **each** scenario.

Scenario	Accounting concept
A customer's debt is written off as irrecoverable.	
The business uses the same method of depreciation each year.	
The business will continue for the foreseeable future.	

(c) State in which financial statement **each** would appear.

(i) Irrecoverable debt written off

(1)

.....

(ii) Balance on the provision for irrecoverable debts account

(1)

.....

(Total for Question 17 = 15 marks)

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

(

	Capital expenditure	Revenue expenditure
Purchase of inventory		
Purchase of machinery		
Installation of machinery		
Machine operator wages		

(b) State in which financial statement **each** would be shown.

(i) Capital expenditure

(1)

(ii) Revenue expenditure

(1)

On 1 May 2020 Xavier purchased two machines.

Xavier depreciates machinery at 30% 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.

(c) Calculate the depreciation charge for **each** machine for **each** year.

(4)

	Cost $	Depreciation charge for the year ended 30 April 2021 $	Depreciation charge for the year ended 30 April 2022 $
Machine A	28 000		
Machine B	36 000		

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On 1 March 2023 Xavier sold Machine A for $17 500

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

(1)

.....

.....

(e) Prepare the provision for depreciation – machinery account for the year ended 30 April 2023. Balance the account on this date and bring the balance down on 1 May 2023.

(4)

Provision for Depreciation – Machinery 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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