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Please check the examination details below before entering your candidate infor on

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Monday 5 June 2023

Afternoon (Time: 1 hour 15 minutes)

Paper reference **4AC1/02R**

International GCSE in Accounting

Level 1/2

PAPER 2: Financial Statements

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 50.
- 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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Answer ALL questions. Write your answers in the spaces provided.

1 Tim, a sole trader, provided the following information for the year ended 30 April 2023.

	1 May 2022 $	30 April 2023 $
Inventory	27 280	20 130
Trade receivables	31 550	41 790

During the year receipts from credit customers were $234 800 after deduction of a cash discount, $3 740

(a) Calculate the credit sales for the year ended 30 April 2023.

(5)

During the year ended 30 April 2023.

- Equipment costing $27 000 was purchased. On 1 May 2022 the balance on the equipment account was $58 800. Depreciation is charged on equipment at 20% per annum using the straight line method. A full year's depreciation is charged in the year of purchase.
- Carriage paid was $2 475, including carriage inwards of $1 385
- Advertising paid was $1 930, including $195 for the three months to 31 May 2023.
- Wages paid were $5 600, which did **not** include $250 outstanding at 30 April 2023.
- General expenses paid were $70 000, including personal expenses of $1 650
- Total purchases were $139 000, which included goods taken for personal use of $3 950

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(b) Prepare the income statement for the year ended 30 April 2023.

Tim
Income statement for the year ended 30 April 2023

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(c) Explain why Tim made an adjustment for goods taken for personal use. You **m** refer to an accounting concept.

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(d) Explain how Tim applies the consistency concept when depreciating non-current assets.

(2)

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(Total for Question 1 = 25 marks)

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2 On 1 January 2022 Belen and Charo started a partnership with capital introduced \$80 000 and \$90 000 respectively.

The partnership agreement provides for:

- profits and losses to be shared equally
- interest of 5% per annum on opening capital balances
- interest of 8% per annum on total drawings
- a salary of \$2 000 per **month** for Charo.

(a) State **one** reason why a partnership agreement provides for:

(i) interest on capital

(1)

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(ii) interest on drawings

(1)

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(iii) partnership salary.

(1)

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Profit for the year ended 31 December 2022 was \$66 200 and the partners made the following drawings.

Partner	Cash drawings \$	Goods taken for own use \$
Belen	20 000	–
Charo	36 000	2 000

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(b) Prepare the appropriation account for the year ended 31 December 2022.

Belen and Charo
Appropriation Account for the year ended 31 December 2022

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(c) Prepare the following accounts for the year ended 31 December 2022. Balance each account on this date and bring the balance down on 1 January 2023.

Capital Account – Charo

Date	Details	$	Date	Details	$

Current Account – Charo

Date	Details	$	Date	Details	$

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The partners provided the following information for the year ended 31 December 2022.

Ratio	Actual percentage	Budgeted percentage
Gross profit percentage	50%	60%
Profit for the year as a percentage of revenue	25%	20%

The partners believe that overall profitability has exceeded their expectations.

(d) Evaluate whether the partners are correct that profitability has exceeded their expectations.

(5)

(e) State **one other** profitability ratio.

(1)

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS

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