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 Advanced Level

Friday 18 October 2024

Afternoon (Time: 3 hours)

Paper reference **WAC11/01**

Accounting

International Advanced Subsidiary
UNIT 1: The Accounting System and Costing

You must have:
Source Booklet (enclosed)

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 **both** questions in Section A and **three** questions from Section B.
- All calculations must be shown.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Do not return the Source Booklet with the question paper.

Information

- The total mark for this paper is 200.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.
- The source material for use with Questions 1 to 6 is in the enclosed Source Booklet.

Advice

- Read each question carefully before you start to answer it.
- Check your answers if you have time at the end.

Turn over ▶

P78376A

©2024 Pearson Education Ltd.
V:1/1/1/1/

P 7 8 3 7 6 A 0 1 3 6

Pearson

www.dynamicpapers.com

SECTION A

Answer BOTH questions in this section.

Source material for Question 1 is on pages 2 and 3 of the Source Booklet.

1 (a) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

(16)

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

www.dynamicpapers.com

(b) Prepare the Statement of Financial Position at 30 September 2024.

(14)

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

www.dynamicpapers.com

(c) State whether each of the following will be **capital expenditure** or **revenue expenditure** for Towne Car Parks.

- Purchase of electric battery charger

.....

- Electricity for electric battery charger

.....

- Maintenance of electric battery charger

.....

(3)

(d) Calculate for Towne Car Parks the **total**:

(i) revenue from operating the **five** electric battery chargers for one year

(4)

.....

.....

.....

.....

.....

.....

.....

.....

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

www.dynamicpapers.com

(ii) cost of operating the **five** electric battery chargers for one year.

(6)

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

www.dynamicpapers.com

(e) Evaluate whether the owner of Towne Car Parks should install the five electric battery chargers. You should consider financial and non-financial factors.

(12)

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

(Total for Question 1 = 55 marks)

www.dynamicpapers.com

Source material for Question 2 is on pages 4 and 5 of the Source Booklet.

2 (a) Prepare the Journal entries to correct the errors (1) to (6).
Narratives and dates are **not** required.

(14)

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) Calculate the corrected profit for the year, by completing the table, **after** the correction of all errors. If there is no effect on profit as a result of the error, state 'No effect.'

(14)

Corrected profit for the year ended 30 September 2024

		£	£	£
Draft profit for the year				11 830
		Increase	**Decrease**	
(1)	Raut			
(2)	Inventory count			
(3)	Leasehold on buildings			
(4)	New computer			
	Depreciation			
(5)	J Johnson			
(6)	Allowance for irrecoverable debts			
Revised profit for the year				

Workings

.....

.....

.....

.....

.....

www.dynamicpapers.com

(c) Prepare the Statement of Financial Position at 30 September 2024 **after** the correction of all errors.

(15)

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

www.dynamicpapers.com

(d) Evaluate whether the use of Information and Communication Technology (ICT) would help Bilic to **avoid errors** in his accounting records.

(12)

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

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

www.dynamicpapers.com

SECTION B

Answer THREE questions from this section.

Indicate which question you are answering by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new question with a cross ☒.

If you answer Question 3 put a cross in the box ☐ .

Source material for Question 3 is on pages 6 and 7 of the Source Booklet.

3 (a) Define the terms.

(i) Allocated overheads

(2)

(ii) Depreciation.

(2)

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) Complete the table apportioning costs to the three stores on the most appropriate basis available.

(15)

Non-allocated overheads	**East Town**	**Southvill**	**Northam**
	£	**£**	**£**
Rent			
Depreciation			
Light and heat			
Staff costs			
Marketing costs			
Total			

Workings

www.dynamicpapers.com

(c) Complete the Revised Departmental Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024 showing the revised profit or loss made by each store.

(5)

	East Town	**Southvill**	**Northam**
	£	**£**	**£**
Revenue	500 000	350 000	150 000
Cost of sales	(300 000)	(195 000)	(75 000)
Gross profit	200 000	155 000	75 000
Overheads			
Allocated			
Apportioned			
Profit (Loss) for the year			

Workings

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

The owner of Komplete Retail is proposing the closure of the Northam store because she calculated that it made a loss of £20 000 for the year.

(d) Evaluate whether the Northam store should be closed.

(6)

(Total for Question 3 = 30 marks)

www.dynamicpapers.com

If you answer Question 4 put a cross in the box ☒ .

Source material for Question 4 is on pages 8 and 9 of the Source Booklet.

4 (a) Define the term **profitability**.

(2)

(b) Calculate, for the year ended 31 August 2024, the:

(i) gross profit as a percentage of revenue

(2)

(ii) inventory turnover (times per annum)

(2)

(iii) profit for the year as a percentage of revenue

(2)

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

(iv) percentage return on capital employed.

(2)

(c) Comment on the profitability of Alesha's business.

(4)

www.dynamicpapers.com

(d) Prepare a Forecast Statement of Profit or Loss and Other Comprehensive Income for the year ending 31 August 2025 showing the forecast profit for the year if Alesha decides to rent both shops.

(6)

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

(e) State **four** financial or non-financial factors, other than profitability, that Alesha will need to consider before making her decision to rent or not rent the second shop.

(4)

1 .....

.....

2 .....

.....

3 .....

.....

4 .....

.....

www.dynamicpapers.com

(f) Evaluate whether Alesha should rent the shop next door and expand her business.

(6)

(Total for Question 4 = 30 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

If you answer Question 5, put a cross in the box ☒ .

Source material for Question 5 is on pages 10 and 11 of the Source Booklet.

5 (a) Define the terms.

(i) Direct expenses

(2)

(ii) Semi-fixed cost.

(2)

www.dynamicpapers.com

(b) Prepare the Manufacturing Account for the month ended 30 September 2024.

(20)

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

www.dynamicpapers.com

(c) Evaluate the use of First In First Out (FIFO) as a method of valuing inventory when prices are rising.

(6)

(Total for Question 5 = 30 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

If you answer Question 6 put a cross in the box ☒ .

Source material for Question 6 is on page 12 of the Source Booklet.

6 (a) Prepare the Cash Book of Najmul for the year ended 30 September 2024.

(9)

Answer Question 6(a) by completing the table on page 31.

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

Cash Book for the year ended 30 September 2024

Date	Details	Cash	Bank	Date	Details	Cash	Bank
		£	£			£	£

www.dynamicpapers.com

P 7 8 3 7 6 A 0 3 1 3 6

www.dynamicpapers.com

(b) Calculate for the year ended 30 September 2024 the value of the:

(i) sales

(4)

(ii) purchases.

(3)

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

www.dynamicpapers.com

(c) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

(8)

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

www.dynamicpapers.com

(d) Evaluate the decision of Najmul to **not** maintain a full set of double entry records for the business.

(6)

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 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

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

Pearson Edexcel International Advanced Level

Friday 18 October 2024

Afternoon (Time: 3 hours)

Paper reference **WAC11/01**

Accounting

International Advanced Subsidiary

UNIT 1: The Accounting System and Costing

Source Booklet

Do not return this Booklet with the question paper.

Turn over ▶

P78376A

©2024 Pearson Education Ltd.

V:1/1/1/1/

P 7 8 3 7 6 A

Pearson

www.dynamicpapers.com

SECTION A

Answer BOTH questions in this section.

1 Towne Car Parks owns a multi-storey car park in the centre of Northtown. Customers park their car and pay a fixed rate per hour.

The following balances were available from the books of accounts on 30 September 2024.

	£
Administration wages	24 000
Allowance for irrecoverable debts	2 500
7% bank loan	50 000
Bank loan interest paid	2 800
Capital	170 000
Cash and bank	7 980 Dr
Commission receivable	11 700
Drawings	30 000
Electricity	8 270
Equipment repairs	15 400
General expenses	8 900
Insurance	4 600
Management salaries	26 500
Non-current assets – at cost	
Premises	600 000
Equipment	100 000
Office computers and fixtures	120 000
Non-current assets – provisions for depreciation	
Premises	400 000
Equipment	65 000
Office computers and fixtures	55 000
Rates	14 800
Revenue	250 000
Security staff wages	32 450
Trade payables	29 600
Trade receivables	38 100

Additional information at 30 September 2024.

(1) Commission receivable of £300 was owing to Towne Car Parks.

(2) Electricity £1 050 is accrued.

(3) Rates of £800 are prepaid.

(4) The 7% bank loan was taken out on I January 2023 and will be repaid in full on 31 December 2026.

(5) A provision must be made for a legal claim for personal damages of £4 000

(6) Depreciation is charged on all non-current assets owned at the end of the year as follows:

- Premises at the rate of 2.5% per annum using the straight-line method
- Equipment at the rate of 20% per annum using the straight-line method
- Office computers and fixtures at the rate of 20% per annum using the reducing balance method.

(7) The allowance for irrecoverable debts is to be reduced by £400

www.dynamicpapers.com

Required

(a) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

(16)

(b) Prepare the Statement of Financial Position at 30 September 2024.

(14)

The owner of Towne Car Parks is considering installing five electric battery chargers to enable owners to charge the batteries of their electric cars while they are parked in the car park. The following information is available.

Revenue and usage

- The car park is open for 100 hours per week for 50 weeks per year.
- It is estimated that three of the five electric battery chargers will be occupied 80% of the hours that the car park is open. The remaining two electric battery chargers will be occupied 60% of the hours that the car park is open.
- The owners of electric cars will pay £2.50 per hour to charge the battery in their car.

Costs

- Purchase price for **one** electric battery charger is £5 000. This will be depreciated on the same basis as all other equipment.
- Installation of **one** electric battery charger is £900
- Maintenance of **one** electric battery charger is £1 200 per annum.
- Electricity usage will cost £1.50 per hour when charging an electric battery.

Required

(c) State whether each of the following will be **capital expenditure** or **revenue expenditure** for Towne Car Parks.

- Purchase of electric battery charger
- Electricity for electric battery charger
- Maintenance of electric battery charger

(3)

(d) Calculate for Towne Car Parks the **total**:

(i) revenue from operating the **five** electric battery chargers for one year

(4)

(ii) cost of operating the **five** electric battery chargers for one year.

(6)

(e) Evaluate whether the owner of Towne Car Parks should install the five electric battery chargers. You should consider financial and non-financial factors.

(12)

(Total for Question 1 = 55 marks)

www.dynamicpapers.com

2 Bilic extracted a trial balance on 30 September 2024. He then prepared a Draft Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

After the preparation of the Draft Statement of Profit or Loss and Other Comprehensive Income the following balances remained in the books of account.

	£
Allowance for irrecoverable debts	2 600
Capital	85 000
Cash and bank	3 000 Dr
Computer maintenance accrued	350
Drawings	12 000
General expenses prepaid	870
Heat and light accrued	490
Inventory 30 September 2024	11 100
Non-current assets – at cost	
Leasehold on buildings	80 000
Computers and fixtures	26 000
Profit for the year	11 830
Non-current assets – provisions for depreciation	
Leasehold on buildings	30 000
Computers and fixtures	9 800
Trade payables	8 800
Trade receivables	17 400
Wages accrued	1 500

On inspection of the books, Bilic found the following errors.

(1) Credit purchases, £1 150, from Raut had not been recorded in the books of account.

(2) The inventory count on 30 September 2024 was understated by £900

(3) The leasehold on buildings is a 20-year lease. **No depreciation** had been charged in the Draft Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

(4) The purchase of a new computer costing £2 000 had been posted to the Computers Maintenance Account.

No depreciation had been charged on the new computer. This should have been charged at the rate of 25% per annum using the straight-line method.

(5) J Johnson, a credit customer, had paid £800 off the balance of his account in cash. No entries had been made in the books.

(6) The allowance for irrecoverable debts balance should have been reduced to £2 000 on 30 September 2024. No entries had been made.

www.dynamicpapers.com

Required

(a) Prepare the Journal entries to correct the errors (1) to (6).
Narratives and dates are **not** required.

(14)

(b) Calculate the corrected profit for the year ended 30 September 2024, by completing the table in the Question Paper, **after** the correction of all errors.
If there is no effect on profit as a result of the error, state 'No effect.'

(14)

(c) Prepare the Statement of Financial Position at 30 September 2024 **after** the correction of all errors.

(15)

(d) Evaluate whether the use of Information and Communication Technology (ICT) would help Bilic to **avoid errors** in his accounting records.

(12)

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

www.dynamicpapers.com

SECTION B

Answer THREE questions from this section.

3 Komplete Retail has stores in East Town, Southvill and Northam.

The summarised Departmental Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024 is shown below.

	East Town	Southvill	Northam
	£	£	£
Revenue	500 000	350 000	150 000
Cost of sales	(300 000)	(195 000)	(75 000)
Gross profit	200 000	155 000	75 000
Overheads			
Allocated	55 000	25 000	15 000
Apportioned (one third of £240 000)	80 000	80 000	80 000
	(135 000)	(105 000)	(95 000)
Profit (Loss) for the year	65 000	50 000	(20 000)

Additional information.

(1) The owner of Komplete Retail apportions all overheads that cannot be allocated on the basis of **one third to each** of the three stores.

(2) The manager of Northam has argued that the non-allocated overheads should not be apportioned one third to each store but apportioned on the basis of the usage of each overhead by each store.

(3) Non-allocated overheads

Non-allocated overheads	£
Rents	75 000
Depreciation	50 000
Light and heat	30 000
Staff costs	35 000
Marketing costs	50 000
Total	240 000

www.dynamicpapers.com

(4) stores data

	East Town	Southvill	Northam
Floor area (sqm)	15 000	8 000	2 000
Equipment and fixtures (£'000's cost)	100	90	60
Staffing (numbers)	13	8	4

Required

(a) Define the terms.

(i) Allocated overheads

(2)

(ii) Depreciation.

(2)

(b) Complete the table in the Question Paper apportioning costs to the three stores on the most appropriate basis available.

(15)

(c) Complete the Revised Departmental Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024 showing the revised profit or loss made by each store.

(5)

The owner of Komplete Retail is proposing the closure of the Northam Store because she calculated that it made a loss of £20 000 for the year.

(d) Evaluate whether the Northam store should be closed.

(6)

(Total for Question 3 = 30 marks)

www.dynamicpapers.com

4 Alesha started in business on 1 September 2023 selling children's clothing from a shop.

She started the business with cash £4 000, inventory £5 000 and a 5% bank loan for £6 000

At the end of the first year of operation the following information is available.

	£
Revenue	50 000
Purchases	32 000
Closing inventory	7 000
Depreciation	1 900
Loan interest	300
Other expenses (including rent)	8 600

Required

(a) Define the term **profitability**.

(2)

(b) Calculate, for the year ended 31 August 2024, the:

(i) gross profit as a percentage of revenue

(2)

(ii) inventory turnover (times per annum)

(2)

(iii) profit for the year as a percentage of revenue

(2)

(iv) percentage return on capital employed.

(2)

www.dynamicpapers.com

Industry averages for the sector are

Gross profit as a percentage of revenue	30%
Inventory turnover (times per annum)	7 times
Profit for the year as a percentage of revenue	15%
Percentage return on capital employed	20%

(c) Comment on the profitability of Alesha's business.

(4)

The shop next door to Alesha's shop has become available and she is considering expanding her business to rent the space available in both shops.

She has estimated that if she rents both shops from 1 September 2024

- Revenue will increase by 60%
- The gross profit as a percentage of revenue will remain unchanged
- More non-current assets will be purchased, which will double the depreciation
- An extension of the 5% bank loan will be required to £10 000
- Other expenses (including rent) will rise by 75%.

Required

(d) Prepare a Forecast Statement of Profit or Loss and Other Comprehensive Income for the year ending 31 August 2025 showing the forecast profit for the year if Alesha decides to rent both shops.

(6)

(e) State **four** financial or non-financial factors, other than profitability, that Alesha will need to consider before making her decision to rent or not rent the second shop.

(4)

(f) Evaluate whether Alesha should rent the shop next door and expand her business.

(6)

(Total for Question 4 = 30 marks)

www.dynamicpapers.com

5 Vito Manufacturing purchases used electric motors and repairs them for resale.

The following information is available for the month of September 2024.

(1) Inventory 1 September 2024 –
Raw materials (electric motors) 140 units @ £25 per unit
Work in progress £3 230

(2) Raw material (electric motors) movements

September	Purchases	Issues to production
Week 1	150 units @ £25 per unit	100 units
Week 2	60 units @ £26 per unit	120 units
Week 3	180 units @ £28 per unit	150 units
Week 4	100 units @ £30 per unit	80 units

Notes:
All purchases of raw materials (electric motors) are made on the first day of the week.
All issues of raw materials (electric motors) are made on the second day of the week.

The First In First Out (FIFO) **perpetual valuation** of inventory is used.

(3) Manufacturing wages

There were 12 production workers who were each paid for 160 hours of work in September at the rate of £6 per hour. In addition, five of the 12 production workers worked nine hours' overtime for which they were paid time and one third.

(4) Expenses

Expenses	Notes
Management salaries	£36 000 per annum.
General expenses	For September were £3 600 of which one third were direct expenses.
Depreciation on equipment	The cost of non-current assets was £96 000 and depreciation is charged at 25% per annum using the straight-line method.
Power and insurance	Power £550 per month and insurance £3 000 per annum.

(5) The work in progress at 30 September 2024 was valued at £2 120

(6) Repaired electric motors were passed to the finished goods warehouse at a transfer value of £38 000 in September.

www.dynamicpapers.com

Required

(a) Define the terms.

(i) Direct expenses

(2)

(ii) Semi-fixed cost.

(2)

(b) Prepare the Manufacturing Account for the month ended 30 September 2024.

(20)

(c) Evaluate the use of First In First Out (FIFO) as a method of valuing inventory when prices are rising.

(6)

(Total for Question 5 = 30 marks)

www.dynamicpapers.com

6 Najmul is in business buying and selling goods on credit. He maintains a Cash Book but does not maintain a full set of double entry books.

(1) The following balances were available for 1 October 2023 and 30 September 2024.

	1 October 2023	30 September 2024
	£	£
Trade receivables	6 800	9 250
Trade payables	4 350	3 100
Inventory	7 050	5 150
Non-current assets (valuation)	12 000	10 500
Cash	500	500
Bank	1 300 Cr	**To be calculated**

(2) Receipts from trade receivables of £19 200 were received by cheque. In addition, there were cash sales of £4 650

(3) Payments to trade payables of £9 000 were made by cheque.

(4) Wages paid were £1 000 in cash and £4 000 by cheque.

(5) General expenses of £2 080 were paid by cheque. At 30 September 2024 £280 of general expenses were prepaid and £600 were accrued.

(6) Rent of premises is £500 per quarter year (three months). Payment for three quarters' (nine months) rent had been made and paid in cash.

(7) Equipment costing £2 400 was purchased by cheque in the year.

(8) Najmul maintains his cash balance at £500. All cash receipts in addition to this are paid into the bank.

Required

(a) Prepare the Cash Book of Najmul for the year ended 30 September 2024.

(9)

(b) Calculate for the year ended 30 September 2024 the value of the:

(i) sales

(4)

(ii) purchases.

(3)

(c) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2024.

(8)

(d) Evaluate the decision of Najmul to **not** maintain a full set of double entry records for the business.

(6)

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 MARKS