

Please check the examination details below before entering your candidate information

Candidate surname

Other names

**Pearson Edexcel
International GCSE**

Centre Number

--	--	--	--	--

Candidate Number

--	--	--	--	--

Tuesday 14 January 2020

Afternoon (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 ►

P59940A

©2020 Pearson Education Ltd.

1/1/1/1/1



Pearson

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 Where would the account of a credit supplier be found?

- A Payables ledger
- B Purchases returns book
- C Receivables ledger
- D Sales day book

(Total for Question 1 = 1 mark)

2 Which one of the following source documents would show bank interest?

- A Bank statement
- B Cheque counterfoil
- C Credit note
- D Invoice

(Total for Question 2 = 1 mark)

3 Which will be recorded on the debit side of a trade receivables ledger control account?

- A Credit note
- B Discount allowed
- C Irrecoverable debt
- D Returned cheque

(Total for Question 3 = 1 mark)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



4 Inventory should be valued at the lower of cost or net realisable value.

Which accounting concept is this an application of?

- A Accruals
- B Consistency
- C Materiality
- D Prudence

(Total for Question 4 = 1 mark)

5 Where is the total of the discount column on the credit side of a three-column cash book 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 **one** of the following is **not** a principle of professional ethics?

- A Confidentiality
- B Integrity
- C Materiality
- D Objectivity

(Total for Question 6 = 1 mark)

7 Which **one** of the following errors would require a correcting entry in a suspense account?

- A Credit note entered twice in the books of account
- B Incorrect addition of the total column of the sales day book
- C Payment for stationery posted to office equipment
- D Sales invoice not entered in the books of account

(Total for Question 7 = 1 mark)



8 Seth has \$15 left in the petty cash box and vouchers totalling \$25

How much does Seth need to restore the imprest?

- A \$10
- B \$15
- C \$25
- D \$40

(Total for Question 8 = 1 mark)

9 A trader withdraws cash from the bank for his own use.

Which **one** of the following is the correct entry for this transaction?

	Account to be debited	Account to be credited
<input type="checkbox"/> A	Bank	Drawings
<input type="checkbox"/> B	Cash	Drawings
<input type="checkbox"/> C	Drawings	Bank
<input type="checkbox"/> D	Drawings	Cash

(Total for Question 9 = 1 mark)

10 Which **one** of the following shows the effects of omitting the depreciation charged?

	Non-current assets	Profit for the year
<input type="checkbox"/> A	Overstated	Overstated
<input type="checkbox"/> B	Overstated	Understated
<input type="checkbox"/> C	Understated	Overstated
<input type="checkbox"/> D	Understated	Understated

(Total for Question 10 = 1 mark)



11 Complete the document where indicated.

Invoice XS Supplies Water Street Birmingham B18 3WY			
Lee Trading 16 Outwood Road Leeds LS11 2AB		Invoice No 3240	
		Date 27 November 2019	
Quantity	Description	Unit cost \$	Total cost \$
150	CD cases	1.20
400	CD label sheets	0.40
Subtotal		
Trade discount 20%		
Total		

(Total for Question 11 = 5 marks)

12 Complete the table indicating with a tick (✓) whether **each** item is capital expenditure or revenue expenditure.

	Capital expenditure	Revenue expenditure
Delivery costs of a new motor vehicle		
Motor vehicle insurance		
Installation costs of new machinery		
Legal costs on purchase of business premises		
Bank interest on loan to purchase business premises		

(Total for Question 12 = 5 marks)



13 Huang maintains a provision for irrecoverable debts at 4% of trade receivables.
The balance of the provision at 1 November 2018 was \$965

At 31 October 2019 the balance of Huang's trade receivables ledger control account was \$23 620 of which \$170 was irrecoverable.

(a) Calculate the balance on the provision for irrecoverable debts account at 31 October 2019.

(2)

.....

.....

.....

.....

(b) Prepare the provision for irrecoverable debts account for the year ended 31 October 2019 showing the transfer to the income statement. Balance the account at this date and bring the balance down at 1 November 2019.

(3)

Provision for Irrecoverable Debts Account

Date	Details	\$	Date	Details	\$

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE
SECTION B BEGINS ON PAGE 8.



SECTION B

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

14 Isabella owns a business selling clothing.

- (a) State the business document and the book of original entry for **each** transaction in Isabella's books of account.

(6)

Transaction	Business document	Book of original entry
Purchased a new motor vehicle on credit, \$5 000		
Purchased postage stamps, \$3		
Sold goods for cash, \$910		

On 1 December 2019 Isabella was owed \$480 by Shania, a credit customer. During the month of December 2019, the following transactions took place.

December 2019	Transaction
9	Sold goods on credit to Shania, \$195
14	Shania returned goods, \$35
27	Shania paid the balance owing at 1 December 2019 by cheque, after deducting a 5% discount.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(b) Prepare the account of Shania in Isabella's books of account. Balance the account at 31 December 2019 and bring the balance down at 1 January 2020.

(7)

Shania Account

Date	Details	\$	Date	Details	\$

(c) State **one** purpose of:

(i) a statement of account

(1)

(ii) a remittance advice.

(1)

(Total for Question 14 = 15 marks)



15 (a) Complete the following sentence.

The main purpose of a trial balance is to check

the of the

double entry.

(2)

(b) Identify the type of error in **each** case.

(3)

Error	Type of error
A payment for motor expenses had been posted to the motor vehicle account.	
A payment for general expenses had not been recorded.	
A payment for general expenses had been posted to the motor expenses account.	



(c) Complete the trial balance at 31 December 2019. Any difference should be entered in the suspense account.

(10)

Trial Balance at 31 December 2019

Account	Balance \$	Trial balance	
		Debit \$	Credit \$
Bank overdraft	770		
Carriage inwards	880		
Discount allowed	340		
Drawings	4 500		
Equity	9 090		
General expenses	15 110		
Inventory	12 260		
Irrecoverable debts	700		
Motor expenses	2 400		
Motor vehicle – cost	9 800		
Motor vehicle – provision for depreciation	2 440		
Purchases	48 000		
Returns outwards	940		
Revenue	86 910		
Trade payables	3 620		
Trade receivables	10 050		
Suspense			
Total			

(Total for Question 15 = 15 marks)

DO NOT WRITE IN THIS AREA



16 Omar provided the following information relating to his trade payables ledger control account for the month ended 30 November 2019.

	\$
At 1 November 2019	
Credit balances	46 935
Debit balances	290
For the month of November 2019	
Cash purchases	2 650
Credit purchases	36 940
Discount received	612
Interest charged	266
Payments to credit suppliers	32 418
Returns outwards	358
Trade receivables ledger set-off	220
At 30 November 2019	
Debit balances	135

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

- (a) Prepare the trade payables ledger control account for the month ended 30 November 2019. Balance the account on this date and bring the balances down at 1 December 2019.

(10)

Trade Payables Ledger Control Account

Date 2019	Details	\$	Date 2019	Details	\$

- (b) State **one** possible reason why Omar has a debit balance on the trade payables ledger control account.

(1)

.....

.....



(c) Explain **two** reasons for preparing a trade payables ledger control account.

(4)

1

.....

.....

.....

.....

2

.....

.....

.....

.....

(Total for Question 16 = 15 marks)

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

BLANK PAGE

QUESTION 17 BEGINS ON PAGE 16.



17 Markus maintains a three-column cash book. On 1 December 2019 the balances were: bank \$340 overdrawn, cash \$70

The following transactions took place in December 2019.

December	Transaction
4	Received a cheque from Patel, a credit customer, \$125
5	Sold goods for cash, \$2 350
12	Paid cash into the bank, \$1300
13	Received notice from the bank that the cheque from Patel, \$125, had been dishonoured.
19	Paid by standing order to Westgas, \$85
23	Received a cheque from Sumner, \$1140, in full settlement of an invoice after taking 5% cash discount.
28	Paid wages by cash, \$840
29	Paid Linston by cheque in full settlement of an invoice for \$1 420. Payment was after taking 10% cash discount.

Enter the transactions in the three-column cash book on page **17**. Balance the cash book at 31 December 2019 and bring down the balances at 1 January 2020.



18 Nyat provided the following information at 1 January 2019

Account	\$
Motor vehicles at cost	48 000
Motor vehicles provision for depreciation	16 000

On 30 September 2019 Nyat sold a motor vehicle for \$13 250 and received a cheque in full settlement. This motor vehicle had been purchased on 1 July 2018 for \$16 400

Nyat's policy is to depreciate motor vehicles at 25% 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 sale.

- (a) Prepare the provision for depreciation – motor vehicles account for the year ended 31 December 2019 showing the transfer to the income statement. Balance the account at this date and bring the balance down at 1 January 2020.

(5)

Provision for Depreciation – Motor Vehicles Account

Date	Details	\$	Date	Details	\$

- (b) Prepare the disposal account showing the transfer to the income statement.

(5)

Disposal Account

Date	Details	\$	Date	Details	\$



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

