

Write your name here	
Surname	Other names
<b>Pearson Edexcel</b>	Centre Number
<b>International GCSE</b>	Candidate Number
<h1>Accounting</h1> <h2>Paper 1</h2>	
Friday 12 May 2017 – Morning <b>Time: 2 hours 30 minutes</b>	Paper Reference <b>4AC0/01</b>
<b>You do not need any other materials.</b>	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.*

### 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.*
- Calculators may be used.

### Advice

- Read each question carefully before you start to answer it.
- Write your answers neatly in good English.
- 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.**

**Some questions must be answered with a cross in a 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** Which document should a business issue on receipt of returned goods?

- A** credit note
- B** debit note
- C** purchase invoice
- D** receipt

**(Total for Question 1 = 1 mark)**

**2** Which type of accounts are found in the purchases ledger?

- A** creditors
- B** debtors
- C** purchases
- D** sales

**(Total for Question 2 = 1 mark)**

**3** Bad debts written off would be entered in which book of original entry?

- A** cash book
- B** journal
- C** purchases book
- D** sales book

**(Total for Question 3 = 1 mark)**

**4** Where is the balance of the bad debts account transferred to at the end of the year?

- A** profit and loss account
- B** purchases ledger control account
- C** sales ledger control account
- D** trading account

**(Total for Question 4 = 1 mark)**

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5 Which is not recorded on the debit side of a purchases ledger control account?

- A discount received
- B interest charged
- C returns outwards
- D sales ledger set offs

(Total for Question 5 = 1 mark)

6 A business decides to include the cost of small items of office equipment as expenses in the profit and loss account.

Which accounting concept is being applied?

- A accruals
- B business entity
- C materiality
- D prudence

(Total for Question 6 = 1 mark)

7 In a manufacturing business, which of the following is a factory overhead?

- A carriage inwards on raw materials
- B factory supervisor's salary
- C hiring of special machinery
- D manufacturing wages

(Total for Question 7 = 1 mark)



8 A manufacturing company provided the following information:

	£
Closing work in progress	3 300
Factory overheads	83 000
Opening work in progress	2 600
Prime cost	121 000

What was the production cost?

- A £203 300
- B £204 000
- C £204 700
- D £209 900

(Total for Question 8 = 1 mark)

9 How is interest on drawings treated in the final accounts of a partnership?

	Account to be debited	Account to be credited
<input type="checkbox"/> A	appropriation	current
<input type="checkbox"/> B	current	appropriation
<input type="checkbox"/> C	current	profit and loss
<input type="checkbox"/> D	profit and loss	current

(Total for Question 9 = 1 mark)



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**10** Tom and Jerry are in partnership sharing profits and losses in the ratio of 3:2. Their partnership provides a salary for Tom of £5 000 per annum. During the year their net profit was £25 000.

What would Tom's share of the profit be?

- A** £10 000
- B** £12 000
- C** £12 500
- D** £18 000

(Total for Question 10 = 1 mark)

**TOTAL FOR SECTION A = 10 MARKS**



**SECTION B****Answer ALL questions.**

- 11** The following information was extracted from the books of Randall for the month of March 2017.

	£
Amount owing by debtors 1 March 2017	4 290
Credit sales	4 800
Cash sales	1 000
Returns inwards	320
Bad debts	253
Discount allowed	66
Customer's cheque dishonoured	210
Receipts from debtors	5 421

- (a) Prepare the sales ledger control account for the month of March 2017. Balance the account on 31 March 2017 and bring the balance down to 1 April 2017.

(8)

**Sales Ledger Control Account**

Date	Narrative	Amount (£)	Date	Narrative	Amount (£)



Randall purchases goods from several suppliers who all offer him trade discount of 10%. All purchases are subject to VAT at the rate of 20%.

During the month of April 2017 the following transactions took place.

April	Transaction
3	Purchased goods from T Hinds, list price £320
6	Purchased goods from R Tibbs, list price £1 390
10	Returned goods to T Hinds, list price £86
12	Purchased goods from W Brown, list price £890
24	Returned goods to R Tibbs, list price £210
28	Purchased goods from T Hinds, list price £450
30	Purchased goods from W Brown, list price £760

- (b) Prepare Randall's purchases book and purchases returns book for the month of April 2017, showing the totals for the month.

(9)

#### Purchases Book

Date	Name	£	£	£

#### Purchases Returns Book

Date	Name	£	£	£



(c) State **three** reasons why Randall's suppliers offer trade discount.

(3)

1 .....

2 .....

3 .....

**(Total for Question 11 = 20 marks)**

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- 12** On 28 February 2017 the following balances remained in the books of R Hopkins after the preparation of the trading and profit and loss account for the year.

	£
Capital	10 000
Cash at bank	3 126
Cash in hand	289
Creditors	5 288
Debtors	7 429
Drawings	5 321
Fixtures and fittings (net book value)	1 900
Motor vehicles (net book value)	15 400
Net profit	23 698
Stock	5 521

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(a) Prepare the balance sheet of R Hopkins as at 28 February 2017.

(4)

**R Hopkins**

**Balance Sheet as at 28 February 2017**

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After the preparation of the balance sheet the following errors and omissions were discovered.

1. No entry had been made in the books for goods, costing £350, taken by R Hopkins for his own use.
2. The annual charge for depreciation of fixtures and fittings had been omitted. The policy is to depreciate fixtures and fittings by 25% of the net book value.
3. The purchase of a new motor vehicle on credit from DEF Traders, costing £12 000, had been omitted from the books.
4. One of the debtors had ceased trading on 31 January 2017 owing £876. This should have been written off as a bad debt.
5. Motor vehicle running costs for the year totalling £1 500 had been entered in error in the motor vehicles account.

(b) State the type of error in (5) above.

(1)



R Hopkins' policy is to depreciate motor vehicles at the rate of 25% on a reducing balance basis, with a full year's depreciation being charged in the year of purchase.

(d) Calculate the additional amount of depreciation to be charged on motor vehicles after the above errors and omissions have been corrected.

(3)

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(e) State **two** accounting concepts that are relevant to the calculation of depreciation.

(2)

1 .....

2 .....

**(Total for Question 12 = 20 marks)**

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- 13** The following information was extracted from the records of the Bowlers Cricket Club for the year ended 31 March 2017.

	<b>1 April 2016 (£)</b>	<b>31 March 2017 (£)</b>
Subscriptions in arrears	340	480
Subscriptions in advance	200	130
Stock of refreshments	421	389
Creditors for refreshments	152	143
Clubhouse (cost)	5 000	5 000
Equipment (net book value)	3 000	2 800

The treasurer also provided the following summarised receipts and payments account for the year ended 31 March 2017.

#### Receipts and Payments Account

	<b>£</b>		<b>£</b>
Balance 1 April 2016	1 267	Payments to creditors	3 070
Sale of refreshments	5 433	Equipment	1 500
Donations	5 000	Sundry expenses	3 500
Subscriptions	8 000	Greenkeeper's wages	9 000
		Balance c/d	2 630
	19 700		19 700
Balance b/d	2 630		



(a) Calculate the accumulated fund on 1 April 2016.

(3)

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(b) Prepare the subscriptions account for the year ended 31 March 2017. Balance the account on that date and bring the balance down on 1 April 2017.

(6)

**Subscriptions Account**

Date	Narrative	Amount (£)	Date	Narrative	Amount (£)

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(c) Prepare the refreshments trading account for the year ended 31 March 2017.

(8)

**Bowlers Cricket Club**  
**Refreshments Trading Account**  
**Year ended 31 March 2017**

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- 14 The following information relates to two businesses in the same trade, at the year ended 31 December 2016.

	<b>Brown £</b>	<b>Blair £</b>
Sales	350 000	430 000
Gross profit	157 500	107 500
Net profit	35 000	64 500
Capital employed	437 500	537 500

- (a) Calculate, for the year ended 31 December 2016, the following ratios, for each business. State clearly the formula used.

(9)

<b>Ratio</b>	<b>Formula</b>	<b>Brown</b>	<b>Blair</b>
Gross profit percentage			
Net profit percentage			
Return on capital employed			







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