

Please check the examination details below before entering your candidate information

Candidatesurname					Othernames			
<b>Pearson Edexcel</b>		CentreNumber			CandidateNumber			
<b>International GCSE</b>		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Tuesday 22 January 2019</b>								
Morning (Time: 2 hours 30 minutes)					Paper Reference <b>4AC0/01</b>			
<b>Accounting</b>								
<b>Paper 1</b>								
<b>You do not need any other materials.</b>							TotalMarks	

### 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 ►

P55891A

©2019 Pearson Education Ltd.

1/1/1/1



  
Pearson

**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 T Song sells goods for cash. How would T Song record this transaction in his books?

	<b>Account to be debited</b>	<b>Account to be credited</b>
<input type="checkbox"/> <b>A</b>	cash	purchases
<input type="checkbox"/> <b>B</b>	purchases	cash
<input type="checkbox"/> <b>C</b>	cash	sales
<input type="checkbox"/> <b>D</b>	sales	cash

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

- 2 In which book of original entry are bad debts written off entered?

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

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

- 3 What would be recorded on the credit side of the purchases ledger control account?

- A** discount received  
 **B** interest charged  
 **C** payments to credit suppliers  
 **D** returns to credit suppliers

**(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 A sole trader included the purchase of a motor vehicle for private use as a business asset.

Which accounting concept has **not** been complied with?

- A accruals
- B business entity
- C going concern
- D materiality

(Total for Question 4 = 1 mark)

- 5 A trader records the purchase of machinery in the machinery repairs account.

What type of error is this?

- A commission
- B compensating
- C original entry
- D principle

(Total for Question 5 = 1 mark)

- 6 A business instructs its bank to make a fixed monthly payment of £50 to its energy supplier.

Which method of payment has been used?

- A cheque
- B credit transfer
- C direct debit
- D standing order

(Total for Question 6 = 1 mark)

- 7 In non-profit making organisations which **one** of the following is the equivalent of the cash book of a profit making organisation?

- A income and expenditure account
- B receipts and payments account
- C statement of affairs
- D subscriptions account

(Total for Question 7 = 1 mark)



- 8 During the year a sports club received subscriptions totalling £2 080, which included £160 received in advance for the next year. At the end of the year £120 was outstanding.

Which amount for subscriptions should be included in the income and expenditure account?

- A £1 800
- B £2 040
- C £2 120
- D £2 200

(Total for Question 8 = 1 mark)

- 9 A manufacturing company provides the following information.

	£
Closing work-in-progress	6 000
Factory overheads	90 000
Opening work-in-progress	7 200
Prime cost	132 000

What is the production cost?

- A £220 800
- B £223 200
- C £228 000
- D £235 200

(Total for Question 9 = 1 mark)

- 10 Where would a manufacturing company show purchases of finished goods for resale?

- A appropriation account
- B manufacturing account
- C profit and loss account
- D trading account

(Total for Question 10 = 1 mark)

**TOTAL FOR SECTION A = 10 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 THE NEXT PAGE.**



**SECTION B****Answer ALL questions.****11** John Paul is a trader who buys and sells mainly on credit terms.

(a) Complete the table below.

(12)

<b>Transaction</b>	<b>Source document</b>	<b>Book of original entry</b>	<b>Account to be debited</b>	<b>Account to be credited</b>
Sold goods on credit to E Paige				
Returned goods to T Williams, a credit supplier				
Purchased fixtures and fittings on credit from Fixashop				

On 30 November 2018 John Paul prepared the following incorrect sales ledger control account.

**Sales Ledger Control Account**

<b>Date</b>	<b>Narrative</b>	<b>£</b>	<b>Date</b>	<b>Narrative</b>	<b>£</b>
Nov 30	Credit sales	132 789	Nov 1	Balance b/f	24 100
	Credit purchases	87 045	Nov 30	Payments received	122 900
	Cash sales	32 865		Bad debts	600
	Discount allowed	876		Credit customer returns	5 213
				Balance c/d	100 762
		<u>253 575</u>			<u>253 575</u>
Dec 1	Balance b/d	100 762			



- (b) Prepare the sales ledger control account for the month of November 2018.  
Balance the account on 30 November 2018 and bring the balance down to  
1 December 2018.

(8)

**Sales Ledger Control Account**

Date	Narrative	£	Date	Narrative	£

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

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



**12** R Patel maintains a full set of accounting books including a petty cash book. He maintains a petty cash float of £250.

On 1 November 2018 the balance of the petty cash book was £166. On that day the float was restored.

During the month of November 2018 the following petty cash payments were made.

November	Voucher Number	Transaction	£
1	46	Paid interviewee's travel claim.	15.00
6	47	Purchased postage stamps.	12.50
10	48	Paid Jones, a credit supplier.	26.00
14	49	Paid for taxi to the train station for client.	21.00
22	50	Purchased photocopy paper.	35.50
30	51	Paid Peters, a credit supplier.	27.00

(a) Prepare the petty cash book on page 9 for the month of November 2018. Balance the book on 30 November 2018 and bring the balance down to 1 December 2018.

(10)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





On 1 November 2018 the balance on the Travel Account was £28.

- (b) Prepare the travel account for the month of November 2018 to show the transfer from the petty cash book. Balance the account on 30 November 2018 and bring the balance down to 1 December 2018.

(4)

**Travel Account**

Date	Narrative	£	Date	Narrative	£

- (c) State the section of the balance sheet where the petty cash balance on 30 November 2018 will appear.

(1)

**(Total for Question 12 = 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 13 BEGINS ON THE NEXT PAGE.**



- 13** Ciao Wong, a sole trader, provided the following information for the year ended 31 July 2018.

	<b>1 August 2017</b>	<b>31 July 2018</b>
	<b>£</b>	<b>£</b>
Rates	350 in advance	200 in arrears
Rent paid	250 in arrears	180 in advance
Rent received	150 in advance	200 in advance

During the year the following transactions took place.

Rates	1 August 2017 1 February 2018	Paid £1 800 Paid £2 000
Rent paid	1 October 2017 1 April 2018	Paid £1 600 Paid £2 200
Rent received	1 September 2017 1 March 2018	Received £850 Received £250
All receipts and payments were processed through the bank		

- (a) Prepare the rent and rates account and the rent received account for the year ended 31 July 2018 showing any transfers to the financial statements. Balance the accounts on 31 July 2018 and bring the balances down to 1 August 2018.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





(b) Explain why Ciao adjusted the amounts received for rent received for the year ended 31 July 2018.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 13 = 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 14 BEGINS ON THE NEXT PAGE.**



**14** Stylos and Kristos are in partnership sharing profits and losses in the ratio 3:1.

Their partnership agreement allows for interest on capital at 4% per annum and a partnership salary to Stylos of £8 000 per annum.

The following balances were extracted from the books of account after the calculation of the gross profit for the year ended 30 November 2018.

	£
Bank	9 400
Capital accounts:	
Stylos	120 000
Kristos	70 000
Current accounts:	
Stylos	13 750
Kristos	1 850 Dr
Creditors	14 700
Debtors	29 000
Drawings:	
Stylos	12 000
Kristos	16 500
Gross profit	109 150
Land and buildings at cost	250 000
Motor vehicles	
Cost	36 000
Provision for depreciation	6 000
Rent, rates and insurance	16 800
Wages and salaries	26 500

## Additional information

1. Wages and salaries of £2 800 were owing at 30 November 2018.
2. A provision for doubtful debts of 5% of debtors was to be created.
3. Motor vehicles are to be depreciated by 20% per annum using the reducing balance method. No depreciation is to be charged on land and buildings.

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 15 BEGINS ON THE NEXT PAGE.**



- 15 (a) Complete the table below, using a tick (✓), to indicate how each item would be classified in the books of Javid, a sole trader.

(10)

	<b>Capital receipt</b>	<b>Revenue receipt</b>	<b>Capital expenditure</b>	<b>Revenue expenditure</b>
Additional capital invested by Javid				
Bank interest received				
Discount allowed				
Discount received				
Installation cost of new machine				
Interest on bank loan				
Maintenance contract on new machine				
New bank loan				
Payment by tenant of rent				
Purchase of goods for resale				

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(b) Evaluate the effect on a business's financial statements of the incorrect treatment of capital expenditure and revenue expenditure.

(5)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**(Total for Question 15 = 15 marks)**

**TOTAL FOR SECTION B = 90 MARKS**  
**TOTAL FOR PAPER = 100 MARKS**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**

