

Please check the examination details below before entering your candidate information

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| Candidate surname | | | | | Other names | | | |
| Pearson Edexcel | | Centre Number | | | Candidate Number | | | |
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| Tuesday 14 May 2019 | | | | | | | | |
| Morning (Time: 1 hour 15 minutes) | | | | | Paper Reference 4AC1/02R | | | |
| 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 (a) State **two** stakeholders and their interests in the financial statements of a business.

(4)

The first one has been completed as an example.

| Stakeholder | Interest |
|------------------|-------------------------------|
| <i>Employees</i> | <i>Security of employment</i> |
| | |
| | |

Abel does not keep a full set of accounting records.

He provided the following information for the year ended 31 March 2019.

| | 31 March 2019 \$ | 1 April 2018 \$ |
|-------------------|---------------------|--------------------|
| Inventory | 9 000 | 8 600 |
| Trade payables | 1 600 | 1 900 |
| Trade receivables | 4 400 | 3 800 |

During the year ended 31 March 2019:

- receipts from credit customers were \$47 600
- cash sales banked were \$3 600 after Abel took \$2 000 for personal use
- payments to suppliers were \$38 200

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(b) Calculate for the year ended 31 March 2019:

(i) total sales

(6)

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(ii) total purchases.

(4)

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(c) Prepare an extract of the income statement for the year ended 31 March 2019 showing the **trading section** only.

(6)

Abel
Income statement for the year ended 31 March 2019

Area with horizontal dotted lines for writing the income statement extract.

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- 2 (a) Identify, by indicating with a tick (✓), where in the financial statements each item would be shown.

The first item has been completed for you.

(6)

| Item | Manufacturing account | Income statement | Statement of financial position |
|--|-----------------------|------------------|---------------------------------|
| Purchase of raw materials | ✓ | | |
| Accumulated depreciation – plant and machinery | | | |
| Carriage outwards | | | |
| Factory supervisor's salary | | | |
| Purchase of finished goods | | | |
| Returns inwards | | | |
| Royalties paid | | | |

Dumadi, a manufacturer, provided the following information.

| | |
|------------------------------------|-----------|
| At 1 April 2018 | \$ |
| Inventories | |
| Raw materials | 12 500 |
| Work in progress | 3 600 |
| Finished goods | 5 500 |
| Plant and machinery | |
| Cost | 112 400 |
| Accumulated depreciation | 65 400 |
| At 31 March 2019 | |
| Prime cost | 274 410 |
| Indirect factory wages | 16 320 |
| Factory light, heat and power | 9 620 |
| Other receivables – rent and rates | 1 800 |
| Rent, rates and insurance | 37 800 |
| Inventories | |
| Raw materials | 9 200 |
| Work in progress | 3 200 |
| Finished goods | 8 400 |

- Rent, rates and insurance are apportioned 70% to the factory and 30% to the office.
- Depreciation is provided on plant and machinery at 20% per annum using the reducing balance method.



(b) Prepare the manufacturing account for the year ended 31 March 2019 starting with the prime cost.

(9)

**Dumadi
Manufacturing account for the year ended 31 March 2019**

| | |
|------------|---------|
| | \$ |
| Prime cost | 274 410 |

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(e) State **two** reasons why non-current assets depreciate.

(2)

1

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2

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(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS

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