

Please check the examination details below before entering your candidate information

Candidate surname					Other names			
Pearson Edexcel		Centre Number			Candidate Number			
International GCSE		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Tuesday 12 May 2020								
Morning (Time: 1 hour 15 minutes)					Paper Reference 4AC1/02			
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 Muneeb and Javeed are in partnership sharing profits and losses in the ratio of 2:1.

The partnership agreement provides for:

- interest on capital at 10% per annum
- an annual salary of \$12 000 for Muneeb.

The partners provided the following information for the year ended 31 March 2020.

1 April 2019	\$
Capital account	
Muneeb	100 000
Javeed	50 000
Current account	
Muneeb	5 750 Dr
Javeed	2 800
31 March 2020	
Allowance for irrecoverable debts	3 000
Cash and cash equivalents	1 145
Inventory	46 475
Other payables	600
Other receivables	1 040
Non-current assets – carrying value	100 000
Trade payables	25 850
Trade receivables	34 590
Drawings for the year	
Muneeb	42 500
Javeed	28 750

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The balance on Javeed's current account at 31 March 2020 was \$3 950 **debit**.

(c) Prepare the statement of financial position at 31 March 2020.

(14)

Muneeb and Javeed
Statement of financial position at 31 March 2020

	\$	\$	\$
Assets			
Non-current assets			
Current assets			
Total assets			
Equity and liabilities			
Equity	Muneeb	Javeed	
Total equity			
Current liabilities			
Total equity and liabilities			

(Total for Question 1 = 25 marks)

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QUESTION 2 BEGINS ON THE NEXT PAGE.



2 Hyat, a manufacturer, provided the following information for the year ended 31 December 2019.

	1 January \$	31 December \$
Factory machinery		
Cost	40 000	40 000
Accumulated depreciation	14 400	To be calculated
Inventory		
Finished goods	4 730	5 180
Work in progress	1 370	1 450
Administration expenses		13 475
Wages and salaries		
Factory indirect		15 000
Office		5 000
Rent, rates and power		
Factory		4 500
Office		1 500
Revenue		68 000

- Factory indirect wages of \$250 were owing.
- Administration expenses of \$1 750 were paid in advance.
- Depreciation is charged on factory machinery at 20% per annum using the reducing balance method.

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Hyat believes that the liquidity of the business has improved.

(ii) State whether he is correct.

(1)

(iii) Explain **one** way Hyat could improve his liquidity.

(3)

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS

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