

Please check the examination details below before entering your candidate information

Candidatesurname					Othernames			
<b>Pearson Edexcel International GCSE</b>		CentreNumber			CandidateNumber			
		<input type="text"/>						
Time 1 hour 15 minutes		Paper reference		<b>4AC1/02</b>				
<b>Accounting</b>								▲ ▲
<b>Level 1/2</b>								
<b>PAPER 2: Financial Statements</b>								
You do not need any other materials.							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.*
- 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.
- Good luck with your examination.

Turn over ►

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**Answer ALL questions. Write your answers in the spaces provided.**

- 1 Thomas, a manufacturer, provided the following information for the year ended 31 March 2021 after the preparation of the manufacturing account.

	<b>1 April 2020 \$</b>	<b>31 March 2021 \$</b>
Office equipment		
– Cost	25 000	25 000
– Accumulated depreciation	9 000	12 200
Plant and machinery		
– Cost	200 000	200 000
– Accumulated depreciation	72 000	97 600
Inventories		
– Raw materials	20 000	25 000
– Work in progress	12 000	11 000
– Finished goods	27 500	30 000
Provision for irrecoverable debts	2 500	3 000
Revenue		425 000
Production cost		300 000
Administrative expenses paid		45 000
Carriage outwards		2 745
Office rent paid		24 000
Other payables – office rent		3 000
Other receivables – administrative expenses		5 000
Trade receivables		60 000
Cash in hand		800

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(a) Prepare the income statement for the year ended 31 March 2021.

(11)

**Thomas**  
**Income statement for the year ended 31 March 2021**

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2 (a) State **one** advantage and **one** disadvantage of forming a partnership.

(2)

Advantage

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Disadvantage

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Able and Beena are in partnership sharing profits and losses in the ratio 3:1.

The partnership agreement also provided for:

- interest on capital at 8% per annum
- interest on drawings at 10% per annum
- an annual salary of \$7 200 for Beena.

The following information was available at 1 May 2020

<b>Account</b>	<b>Able \$</b>	<b>Beena \$</b>
Capital	75 000	25 000
Current	1 500	2 750 Dr

For the year ended 30 April 2021 profit for the year was \$26 550 and total drawings were Able \$16 000, Beena \$10 500

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(b) Prepare the appropriation account for the year ended 30 April 2021.

(8)

**Able and Beena**  
**Appropriation account for the year ended 30 April 2021**

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- (c) Prepare Beena's current account for the year ended 30 April 2021. Balance the account on that date and bring the balance down on 1 May 2021.

(6)

**Current Account – Beena**

Date	Details	\$	Date	Details	\$

- (d) State **one** reason why a partner may have a debit balance in their current account.

(1)

- (e) State, indicating with a tick (✓), the effect, if any, each transaction would have on a partnership's profit for the year.

(3)

Transaction	Increase	Decrease	No effect
A partner withdraws goods for their own use.			
A partner purchases stationery for the business from their own monies.			
A partner introduces capital into the business.			



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(f) Explain why a partnership:

(i) charges interest on drawings

(3)

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(ii) allows interest on capital.

(2)

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**(Total for Question 2 = 25 marks)**

**TOTAL FOR PAPER = 50 MARKS**



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