

Please check the examination details below before entering your candidate information

Candidate surname					Other names									
Pearson Edexcel					Centre Number					Candidate Number				
International GCSE														
Friday 10 May 2019														
Morning (Time: 2 hours)										Paper Reference 4AC1/01				
Accounting Level 1/2 Paper 1: Introduction to Bookkeeping and Accounting														
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 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.*

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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SECTION A

Answer ALL questions in this section. Write your answers in the spaces provided.

For questions 1–10, choose an answer A, B, C or D, and put a cross in the 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 is sent to credit customers at the end of each month?

- ☐ **A** Credit note
- ☐ **B** Remittance advice
- ☐ **C** Sales invoice
- ☐ **D** Statement of account

(Total for Question 1 = 1 mark)

2 In which book of original entry are irrecoverable debts recorded?

- ☐ **A** Cash book
- ☐ **B** Journal
- ☐ **C** Purchases day book
- ☐ **D** Sales day book

(Total for Question 2 = 1 mark)

3 In which book of original entry will a trader record an invoice received?

- ☐ **A** Purchases day book
- ☐ **B** Purchases returns day book
- ☐ **C** Sales day book
- ☐ **D** Sales returns day book

(Total for Question 3 = 1 mark)

4 Which **one** of the following is a reason for offering a cash discount?

- ☐ **A** Bulk buying
- ☐ **B** Paying in cash
- ☐ **C** Prompt payment
- ☐ **D** Repeat business

(Total for Question 4 = 1 mark)



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5 Ben records motor vehicle expenses in the motor vehicle account in error.

What type of error is this?

- ☐ A Commission
- ☐ B Complete reversal
- ☐ C Original entry
- ☐ D Principle

(Total for Question 5 = 1 mark)

6 Which transaction is capital expenditure?

- ☐ A Disposal of a computer
- ☐ B Installation of air conditioning
- ☐ C Repainting of the building
- ☐ D Repairs to air conditioning

(Total for Question 6 = 1 mark)

7 Which **one** of the following is an accounting concept?

- ☐ A Comparability
- ☐ B Materiality
- ☐ C Objectivity
- ☐ D Understandability

(Total for Question 7 = 1 mark)

8 Which statement is **incorrect**?

- ☐ A Assets = Liabilities + Capital
- ☐ B Capital = Assets - Liabilities
- ☐ C Capital - Liabilities = Assets
- ☐ D Liabilities = Assets - Capital

(Total for Question 8 = 1 mark)



P 5 7 0 7 6 A 0 3 2 0

9 Soha purchased stationery for her business using her own money.

What is the entry in the business's books?

Account to be debited	Account to be credited
☐ A Cash	Stationery
☐ B Equity	Stationery
☐ C Stationery	Cash
☐ D Stationery	Equity

(Total for Question 9 = 1 mark)

10 What is indicated when a business's bank statement shows a debit balance?

- ☐ **A** Bank is a creditor to the business
- ☐ **B** Bank is a debtor to the business
- ☐ **C** Bank made payment by credit transfer
- ☐ **D** Bank received payment by credit transfer

(Total for Question 10 = 1 mark)

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11 Complete the following document.

Credit Note Supreme Furniture 23 High Road London SW7 6BY			
John Win 104 May Cottage London NS17 4BQ		Credit Note No. 122	
		Date 15 April 2019	
Description	Quantity	Unit cost \$	Total cost \$
Dining chairs	4	27.50	
Sofa chairs	2	212.50	
Subtotal			
Trade discount 10%			
Total			
Reason: Faulty goods			

(Total for Question 11 = 5 marks)



12 Prepare the trial balance at 31 May 2018 for Aung.

Aung
Trial balance at 31 May 2018

	\$	Debit \$	Credit \$
Bank overdraft	3 500		
Depreciation charge	1 400		
Equity	25 000		
General expenses	6 355		
Machinery – accumulated depreciation	15 400		
Machinery – cost	70 000		
Petty cash	145		
Purchases	102 850		
Rental income	1 850		
Revenue	135 000		
Total			

(Total for Question 12 = 5 marks)

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13 Neha provided the following information for the year ended 31 March 2019.

	1 April 2018 \$	31 March 2019 \$
Trade receivables	12 500	15 550

Neha maintains a provision for irrecoverable debts at 10% of trade receivables.

At 31 March 2019 irrecoverable debts of \$550 were to be written off.

(a) Calculate the provision for irrecoverable debts at 31 March 2019.

(1)

(b) Prepare the provision for irrecoverable debts account for the year ended 31 March 2019. Balance the account on that date and bring the balance down on 1 April 2019.

(4)

Provision for Irrecoverable Debts Account

Date	Details	\$	Date	Details	\$

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS



P 5 7 0 7 6 A 0 7 2 0

SECTION B

Answer ALL questions in this section. Write your answers in the spaces provided.

14 (a) State **two** reasons for maintaining a petty cash book. (2)

1

2

Jonny maintains a petty cash book with a float of \$150
During January 2019 the following petty cash transactions took place.

January	Voucher Number	Transaction	\$
2	101	Purchased postage stamps	11.50
8	102	Paid travel expenses to sales manager	22.50
15	103	Paid to John, a trade payable	35.00
22	104	Purchased coffee, tea and sugar	17.75
26	105	Purchased postage stamps	8.50
31	106	Paid cleaner’s wages	15.00
31		Restored float	To be calculated

(b) Prepare the petty cash book for the month ended 31 January 2019.
Balance the petty cash book on that date and bring the balance down on 1 February 2019. (11)



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(c) State which accounting concept has not been applied in each scenario.

(2)

Scenario	Accounting concept
Jonny charged a private lunch to refreshments in the petty cash book.	
Jonny purchased a new sweeping brush for \$10 and charged it to non-current assets.	

(Total for Question 14 = 15 marks)

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QUESTION 15 BEGINS ON PAGE 12.



15 (a) Evaluate why a business maintains ledger control accounts.

(5)

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Josephine provided the following information.

	\$
At 1 June 2017	
Trade receivables ledger control account balance	65 450
For the year ended 31 May 2018	
Cash sales	80 100
Credit sales	255 895
Irrecoverable debts	11 500
Payables ledger set off	7 895
Receipts from credit customers	228 955
Returns inwards	4 567



- (b) Prepare the following account for the year ended 31 May 2018. Balance the account on that date and bring the balance down on 1 June 2018.

(7)

Trade Receivables Ledger Control Account

Date	Details	\$	Date	Details	\$

- (c) State **three other** items that may appear in a trade receivables ledger control account.

(3)

- 1
- 2
- 3

(Total for Question 15 = 15 marks)



P 5 7 0 7 6 A 0 1 3 2 0

16 (a) Explain **one** difference between capital expenditure and revenue expenditure.

(2)

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(b) State **two** accounting concepts that apply when charging depreciation.

(2)

1

2

(c) State **three** factors that may cause a non-current asset to depreciate.

(3)

1

2

3

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On 1 April 2017 Rosa purchased **two** motor vehicles costing \$50 000 **each**.

On 1 January 2019 she sold **one** of the motor vehicles for \$35 500. The sale proceeds were received by cheque.

Depreciation is charged at 20% per annum using the reducing balance method.

A full year's depreciation is charged in the year of purchase and none in the year of disposal.

- (d) Prepare the provision for depreciation – motor vehicles account for the year ended 31 March 2019. Balance the account on that date and bring the balance down on 1 April 2019.

(4)

Provision for Depreciation – Motor Vehicles Account

Date	Details	\$	Date	Details	\$

- (e) Prepare the disposal account.

(4)

Disposal Account

Date	Details	\$	Date	Details	\$

(Total for Question 16 = 15 marks)



P 5 7 0 7 6 A 0 1 5 2 0

17 (a) State **two** purposes of a suspense account. (2)

- 1
- 2

(b) Complete the following table for each scenario. (6)

Scenario	Type of error	Account to be debited	Account to be credited
A payment received from Jon, \$200, was entered in Ron's account			
A cheque, \$376, for wages was entered in the cashbook and the wages account as \$367			

(c) Evaluate how the introduction of accounting software will improve the accuracy of a business's accounts. (5)

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(d) State **two** ways to protect the security of electronic data.

(2)

1

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2

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(Total for Question 17 = 15 marks)



P 5 7 0 7 6 A 0 1 7 2 0



18 (a) State **two** advantages of operating a business as a sole trader.

(2)

- 1
- 2

(b) State **two** stakeholders who may be interested in a business’s financial statements.

(2)

- 1
- 2

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During the year ended 31 March 2019 the following rental income was received.

Date	\$	Period
1 April 2018	800	Four months ending 30 June 2018
1 July 2018	1 500	Six months ending 31 December 2018
1 January 2019	1 500	Six months ending 30 June 2019

- (c) (i) Prepare the rental income account for the year ended 31 March 2019.
Balance the account on that date and bring the balance down on 1 April 2019.

(7)

Rental Income Account

Date	Details	\$	Date	Details	\$



(ii) Complete the table by indicating with a tick (✓) what the balance of the rental income account represents on the given dates.

(4)

	Balance at 1 April	
	2018	2019
Other payables		
Other receivables		
Current assets		
Current liabilities		

(Total for Question 18 = 15 marks)

TOTAL FOR SECTION B = 75 MARKS
TOTAL FOR PAPER = 100 MARKS

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