

Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				

Pearson Edexcel International GCSE

Monday 5 June 2023

Afternoon (Time: 1 hour 15 minutes) **Paper reference** **4AC1/02R**

International GCSE in 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** Tim, a sole trader, provided the following information for the year ended 30 April 2023.

	1 May 2022 \$	30 April 2023 \$
Inventory	27 280	20 130
Trade receivables	31 550	41 790

During the year receipts from credit customers were \$234 800 after deduction of a cash discount, \$3 740

- (a) Calculate the credit sales for the year ended 30 April 2023.

(5)

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During the year ended 30 April 2023.

- Equipment costing \$27 000 was purchased. On 1 May 2022 the balance on the equipment account was \$58 800. Depreciation is charged on equipment at 20% per annum using the straight line method. A full year's depreciation is charged in the year of purchase.
- Carriage paid was \$2 475, including carriage inwards of \$1 385
- Advertising paid was \$1 930, including \$195 for the three months to 31 May 2023.
- Wages paid were \$5 600, which did **not** include \$250 outstanding at 30 April 2023.
- General expenses paid were \$70 000, including personal expenses of \$1 650
- Total purchases were \$139 000, which included goods taken for personal use of \$3 950



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(b) Prepare the income statement for the year ended 30 April 2023.

(15)

Tim
Income statement for the year ended 30 April 2023

Area for writing the income statement, consisting of multiple horizontal lines.

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- (c) Explain why Tim made an adjustment for goods taken for personal use. You **must** refer to an accounting concept.

(3)

- (d) Explain how Tim applies the consistency concept when depreciating non-current assets.

(2)

(Total for Question 1 = 25 marks)



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2 On 1 January 2022 Belen and Charo started a partnership with capital introduced of \$80 000 and \$90 000 respectively.

The partnership agreement provides for:

- profits and losses to be shared equally
- interest of 5% per annum on opening capital balances
- interest of 8% per annum on total drawings
- a salary of \$2 000 per **month** for Charo.

(a) State **one** reason why a partnership agreement provides for:

(i) interest on capital (1)

(ii) interest on drawings (1)

(iii) partnership salary. (1)

Profit for the year ended 31 December 2022 was \$66 200 and the partners made the following drawings.

Partner	Cash drawings \$	Goods taken for own use \$
Belen	20 000	–
Charo	36 000	2 000



(b) Prepare the appropriation account for the year ended 31 December 2022.

(8)

Belen and Charo
Appropriation Account for the year ended 31 December 2022

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(c) Prepare the following accounts for the year ended 31 December 2022. Balance each account on this date and bring the balance down on 1 January 2023. (8)

Capital Account – Charo

Date	Details	\$	Date	Details	\$

Current Account – Charo

Date	Details	\$	Date	Details	\$

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The partners provided the following information for the year ended 31 December 2022.

Ratio	Actual percentage	Budgeted percentage
Gross profit percentage	50%	60%
Profit for the year as a percentage of revenue	25%	20%

The partners believe that overall profitability has exceeded their expectations.

- (d) Evaluate whether the partners are correct that profitability has exceeded their expectations.

(5)

- (e) State **one other** profitability ratio.

(1)

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS

