Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Wednesday 29 October 2025

Morning (Time: 2 hours)

Paper reference **4AC1/01**

Accounting

Level 1/2

PAPER 1: Introduction to Bookkeeping and Accounting

You must have:
Calculator

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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Pearson

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 a customer showing the transactions that took place during a particular period of time?

☐ **A** Credit note

☐ **B** Invoice

☐ **C** Receipt

☐ **D** Statement of account

(Total for Question 1 = 1 mark)

2 Which account **always** has a credit balance?

☐ **A** Carriage inwards

☐ **B** Carriage outwards

☐ **C** Discount allowed

☐ **D** Discount received

(Total for Question 2 = 1 mark)

3 Which transaction will be recorded in the sales day book?

☐ **A** Sale of goods for cash

☐ **B** Sale of goods on credit

☐ **C** Sale of a non-current asset for cash

☐ **D** Sale of a non-current asset on credit

(Total for Question 3 = 1 mark)

4 Where is discount allowed initially recorded?

☒ **A** Cash book

☒ **B** General journal

☒ **C** General ledger

☒ **D** Purchases day book

(Total for Question 4 = 1 mark)

5 Which is shown in the equity account?

☒ **A** Gross profit for the year

☒ **B** Loss on disposal

☒ **C** Profit for the year

☒ **D** Profit on disposal

(Total for Question 5 = 1 mark)

6 What does the closing balance on a trade payables control account represent?

☒ **A** The total amount of credit sales for the year

☒ **B** The total amount of credit purchases for the year

☒ **C** The total amount owing by credit customers

☒ **D** The total amount owing to credit suppliers

(Total for Question 6 = 1 mark)

7 Which principle of professional ethics is being described?

'Accountants must be free from bias or conflict of interest.'

☒ **A** Confidentiality

☒ **B** Integrity

☒ **C** Objectivity

☒ **D** Professional behaviour

(Total for Question 7 = 1 mark)

8 Which one is a reason for a business to depreciate a non-current asset?

☒ **A** To know the profit or loss on disposal

☒ **B** To know the value at the end of its useful life

☒ **C** To provide cash for its replacement

☒ **D** To spread the cost over its expected useful life

(Total for Question 8 = 1 mark)

9 Which accounting concept is being described?

'The skills and knowledge of a workforce are not shown as an asset in the financial statements.'

☒ **A** Business entity

☒ **B** Consistency

☒ **C** Materiality

☒ **D** Money measurement

(Total for Question 9 = 1 mark)

10 A business maintains a petty cash book with a float of $250. During the month the total expenses paid from petty cash were $180

Which amount is required to restore the float?

☒ **A** $70

☒ **B** $180

☒ **C** $250

☒ **D** $430

(Total for Question 10 = 1 mark)

11 (a) State the book of original entry used to record the write-off of an irrecoverable debt.

(1)

....

(b) State the double entry to record **each** transaction:

(i) the write-off of an irrecoverable debt

(2)

Account to be debited	Account to be credited

(ii) the creation of a provision for an irrecoverable debt.

(2)

Account to be debited	Account to be credited

(Total for Question 11 = 5 marks)

12 State the source document for **each** transaction. The first one has been completed for you.

Transaction	Source document
Sale of goods to a credit customer	*Sales invoice*
Receipt from a customer by credit transfer	
Return of goods to a credit supplier	
Purchase of a non-current asset on credit	
Receipt of bank interest	
Issue of a cheque for personal use	

(Total for Question 12 = 5 marks)

13 Identify, indicating with a tick (✓), where **each** would be entered in a **trade receivables control account**.

	Debit side	Credit side	No entry
Cash sales			
Contra to trade payables control account			
Discount allowed			
Interest charged to customer			
Returns outwards			

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

SECTION B

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

14 Sean, a sole trader, maintains a full set of accounting records.

On 1 July 2025 Sean owed Sui, a credit supplier, $1 540 for goods purchased on 30 June 2025.

Sui allows a trade discount of 15% on all credit purchases made by Sean over $500. Sui also allows Sean a cash discount of 5% on all payments made within 10 days of purchase.

The following transactions took place between Sean and Sui during July 2025.

July	Transaction
4	Purchased goods on credit, list price $620
8	Paid the outstanding balance at 1 July by bank transfer.
10	Returned some of the goods purchased on 4 July, $80
25	Paid the remaining balance on Sui's account by bank transfer.
29	Purchased goods on credit, list price $340

(a) Prepare the following books of original entry for the month of July 2025 showing the total for the month.

(i)

(3)

Purchases Day Book

Date	Supplier	$

(ii)

(2)

Purchase Returns Day Book

Date	Supplier	$

On 1 July 2025 the balance of the purchases account was $12 868

(b) Prepare the purchases account for the year ended 31 July 2025.

(2)

Purchases Account

Date	Details	$	Date	Details	$

(c) Prepare the account of Sui in Sean's books of account. Balance the account on 31 July 2025 and bring the balance down on 1 August 2025.

(8)

Sui Account

Date	Details	$	Date	Details	$

(Total for Question 14 = 15 marks)

15 On 30 September 2025 Lee prepared a trial balance that did not agree. The difference was entered in a suspense account.

Lee found the following errors.

1. No entries had been made for goods, cost $183, taken by Lee for his own use.
2. Returns inwards of $290 had been posted to the credit of returns outwards account.
3. A credit purchase, $108, from Michael, had been credited to the account of Martina.
4. Commission received, $74, had been debited to both the commission received account and the bank account as $47

(a) Prepare journal entries to correct **each** error. Dates and narratives are **not** required.

(10)

Journal

Error	**Account**	**Debit $**	**Credit $**
1			
2			
3			
4			

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(b) Discuss whether Lee should continue to prepare a trial balance.

(5)

(Total for Question 15 = 15 marks)

16 Bharti provided the following information in respect of her stationery account.

- On 1 July 2024 inventory of stationery was $420
- During the year ended 30 June 2025:
  - She paid $1 070 for stationery
  - She withdrew stationery for her own use costing $65
- On 30 June 2025:
  - She owed $130 for stationery
  - Inventory of stationery was $325

(a) Prepare the stationery account for the year ended 30 June 2025.

Balance the account on this date and bring the balance down on 1 July 2025.

(7)

Stationery Account

Date	**Details**	**$**	**Date**	**Details**	**$**

Bharti provided the following information in respect of her rent receivable account.

- On 1 July 2024 she had received rent in advance, $600
- During the year ended 30 June 2025 she received rent of $5 200
- On 30 June 2025 she was owed rent of $280

(b) Prepare the rent receivable account for the year ended 30 June 2025.

Balance the account on this date and bring the balance down on 1 July 2025.

(5)

Rent Receivable Account

Date	Details	$	Date	Details	$

(c) State **three** ways that data may be protected when using a computerised accounting system.

(3)

1 ....

....

2 ....

....

3 ....

....

(Total for Question 16 = 15 marks)

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17 (a) Explain each term:

(i) capital expenditure

(2)

....

....

....

....

(ii) revenue expenditure.

(2)

....

....

....

....

Dominic prepares financial statements to 30 June each year.

On 1 July 2025 Dominic purchased a new motor van.

	$
Basic cost price	45 000
Delivery cost	810
Road fund licence	360
Insurance	1 080
Installation of shelving	590
Annual maintenance contract	860

(b) Calculate for the new motor van the total amount of:

(i) capital expenditure

(1)

....

....

(ii) revenue expenditure.

(1)

....

....

(iii) Identify, indicating with a tick (✓), the effect on gross profit if the total purchase cost of the new motor van was treated as revenue expenditure.

(1)

Overstated	
Understated	
No effect	

On 1 July 2022 Dominic purchased new machinery at a cost of $36 500

On 1 August 2024 he sold the machinery to Gerhardt for $24 600

Gerhardt paid one third of the sale price by bank transfer on that date with the remainder being transferred to a loan account.

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.

(c) (i) Calculate the carrying value of the machinery at 1 August 2024.

(1)

....

....

(ii) Prepare the disposal account for the year ended 30 June 2025.

(7)

Disposal Account

Date	Details	$	Date	Details	$

(Total for Question 17 = 15 marks)

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18 Kate maintains a three-column cash book.

On 1 August 2025 the balances were: bank overdraft $425, cash $112

The following transactions took place in August 2025.

August	
2	Paid ROH, $494, by cheque in full settlement of an invoice after taking cash discount of 5%
5	Cash sales, $835
8	Received notice from the bank that a cheque received from Slater, $320, had been dishonoured.
13	Paid cash into the bank, $795
15	Received a credit transfer from Alzate in full settlement of an invoice for $980 taking a cash discount of 5%
21	Paid NY Electric, $220, by standing order.
28	Paid cleaner by cash, $35

(a) Enter the transactions for the month of August 2025 in the cash book.

Balance the cash book on 31 August 2025 and bring the balances down on 1 September 2025.

(10)

Cash Book

2025 August	Details	Discount $	Cash $	Bank $	2025 August	Details	Discount $	Cash $	Bank $

(b) Discuss whether Kate should maintain a petty cash book.

(5)

(Total for Question 18 = 15 marks)

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

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