Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Friday 15 May 2026

Afternoon (Time: 2 hours)

Paper reference **4AC1/01R**

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. 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 Where is the sales account maintained?

- ☒ **A** Journal
- ☒ **B** Nominal ledger
- ☒ **C** Receivables ledger
- ☒ **D** Sales day book

(Total for Question 1 = 1 mark)

2 Which book of original entry is discount allowed recorded in?

- ☒ **A** Cash book
- ☒ **B** Petty cash book
- ☒ **C** Purchases day book
- ☒ **D** Sales day book

(Total for Question 2 = 1 mark)

3 Jones supplies goods to Richards on credit. Which document would Jones send when Richards buys goods?

- ☒ **A** Purchase order
- ☒ **B** Purchase invoice
- ☒ **C** Sales invoice
- ☒ **D** Statement of account

(Total for Question 3 = 1 mark)

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4 Which account balance could **only** appear on the credit side of a trial balance?

- ☒ **A** Bank
- ☒ **B** Cash
- ☒ **C** Drawings
- ☒ **D** Equity

(Total for Question 4 = 1 mark)

5 Which account is credited when business owners take goods at cost price for their own use?

- ☒ **A** Bank
- ☒ **B** Drawings
- ☒ **C** Purchases
- ☒ **D** Sales

(Total for Question 5 = 1 mark)

6 Which statement is **incorrect**?

- ☒ **A** Assets = liabilities + equity
- ☒ **B** Equity = assets – liabilities
- ☒ **C** Equity – liabilities = assets
- ☒ **D** Liabilities = assets – equity

(Total for Question 6 = 1 mark)

7 On 31 March 2026, Sheila's bank statement showed a credit balance of $7 400. Upon further investigation, she discovered that there was an unpresented cheque of $1 240 and an outstanding lodgement of $1 864

What was the bank balance in Sheila's books on 31 March 2026?

- ☒ **A** $6 776 (Cr)
- ☒ **B** $6 776 (Dr)
- ☒ **C** $8 024 (Cr)
- ☒ **D** $8 024 (Dr)

(Total for Question 7 = 1 mark)

8 A business maintains a petty cash book with a float of $100

During the month of April 2026, total expenditure on petty cash was $76 and $4 was received from an employee in respect of a private phone call.

How much will the petty cashier receive at the end of the month from the chief cashier?

- ☒ **A** $20
- ☒ **B** $72
- ☒ **C** $100
- ☒ **D** $180

(Total for Question 8 = 1 mark)

9 Which accounting concept is described in the statement:

"Profits should not be overstated and losses should be provided for as soon as recognised"?

- ☒ **A** Accruals
- ☒ **B** Business entity
- ☒ **C** Money measurement
- ☒ **D** Prudence

(Total for Question 9 = 1 mark)

10 Which principle of professional ethics is being described in the statement:

"Accountants must not disclose sensitive information that would not be available to the public"?

- ☒ **A** Confidentiality
- ☒ **B** Integrity
- ☒ **C** Objectivity
- ☒ **D** Professional competence

(Total for Question 10 = 1 mark)

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11 Complete the document where indicated.

Statement of Account

Astra Engineering
Cosmic Industrial Estate
Jaipur

Hitesh Patel
High Road
New Delhi

30 April 2026

Date 2026	Description	Debit $	Credit $	Balance $
1 April	Balance b/d			1 250
10 April	Goods supplied	2 100		(i) .....
14 April	Goods returned		260	(ii) .....
20 April	Payment received		1175	(iii) .....
20 April	Discount		75	(iv) .....
Amount due on 30 April 2026				(v) .....

(Total for Question 11 = 5 marks)

12 (a) Complete the following table for **each** transaction to show the name of the business document and book of original entry prepared by Violet.

(4)

Date 2026	Transaction	Business document	Book of original entry
1 April	Violet sells goods, $1 300, on credit to Emily		
23 April	Emily returns goods, $350, to Violet		

On 30 April 2026, Emily paid the amount outstanding after taking a cash discount of 5%.

(b) Calculate the amount Emily paid to Violet on 30 April 2026.

(1)

.....

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(Total for Question 12 = 5 marks)

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13 (a) State **one** possible application of new technology in accounting.

(1)

.....

.....

(b) State **two** advantages and **two** disadvantages to a business of using accounting software.

(4)

Advantages

1 .....

.....

2 .....

.....

Disadvantages

1 .....

.....

2 .....

.....

(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 On 1 April 2026 Archie started in business selling fresh fruit and produce.

(a) State the name of the account to be debited and the name of the account to be credited for **each** transaction.

(12)

Transaction	Account to be debited	Account to be credited
Invested cash into the business bank account		
Purchased a motor vehicle paying by cheque		
Purchased fuel for the motor vehicle paying by cheque		
Purchased goods on credit from Andrew		
Sold goods for cash		
Took cash for his own use		

(b) State **three** stakeholders that may have an interest in a business's financial statements.

(3)

1 .....

2 .....

3 .....

(Total for Question 14 = 15 marks)

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15 (a) State **two** purposes of a trial balance.

(2)

1 .....

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2 .....

.....

On 28 February 2026, Bharat discovered that an invoice, $298, received from Ricardo, a credit supplier, had been entered as $289 in the books of account.

(b) (i) State the type of error that has been made.

(1)

.....

(ii) Prepare a journal entry to correct this error. A narrative is **not** required.

(2)

Journal

Date 2026	**Account**	**Debit $**	**Credit $**
28 February			

(iii) State **three other** types of error that are **not** revealed by the preparation of a trial balance.

(3)

1 .....

2 .....

3 .....

(c) Explain **two** errors that will result in a trial balance **not** balancing.

(4)

1 .....

.....

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2 .....

.....

.....

(d) Explain to Bharat why it is important that his books of account are error free.

(3)

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(Total for Question 15 = 15 marks)

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16 Tamsin Shah, a retailer, provided the following information.

On 1 April 2026 the balances of the receivables ledger were:

Account	$
C Starr	1 500
J Lenin	3 400
P Jones	800
G Harrison	2 300

On 30 April 2026 extracts of the books of original entry for the month were provided.

Sales Day Book

April 2026	Customer	$
2	C Starr	350
5	J Lenin	670
7	P Jones	1 200
14	G Harrison	800
21	C Starr	250
24	G Harrison	650
26	P Jones	350
30	Total for the month	4 270

Sales Returns Day Book

April 2026	Customer	$
2	C Starr	200
5	J Lenin	320
7	P Jones	430
14	G Harrison	475
30	Total for the month	1 425

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Cash Book

Debit side – Bank column

April 2026	Details	$
1	Balance b/d	6 300
5	C Starr	1 500
10	J Lenin	3 000
18	Cash sales	3 500
21	P Jones	800
24	G Harrison	2 300
25	Cash sales	4 300

Journal

April 2026	Account	Debit $	Credit $
18	C Starr – payables ledger	150	
	C Starr – receivables ledger		150
Being transfer of balance in payables ledger set off against balance in the receivables ledger			

(a) Prepare the account of C Starr in the receivables ledger of Tamsin.

Balance the account on 30 April 2026 and bring the balance down on 1 May 2026.

(6)

C Starr Account

Date 2026	Details	$	Date 2026	Details	$

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(b) Prepare the trade receivables control account for the month of April 2026.

Balance the account on 30 April 2026 and bring the balance down on 1 May 2026.

(7)

Trade Receivables Control Account

Date 2026	Details	$	Date 2026	Details	$

On 1 May 2026, Tamsin was advised that C Starr was unable to pay his outstanding balance and it was agreed to write this off as an irrecoverable debt.

(c) Prepare the journal entry to record this transaction. A narrative is **not** required.

(2)

Journal

Date 2026	Details	Debit $	Credit $
1 May			

(Total for Question 16 = 15 marks)

17 (a) Identify, indicating with a tick (✓), whether **each** item would be classified as capital expenditure or revenue expenditure.

(6)

	Capital expenditure	**Revenue expenditure**
Installation of solar panels on new premises		
Business rates on new premises		
Extension of premises		
Fitting of replacement roof on existing premises		
Legal fees paid in connection with extension of premises		
Purchase of new premises		

(b) Explain how **each** accounting concept affects the treatment of capital expenditure and revenue expenditure items.

(4)

Consistency

Materiality

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(c) Explain the effect on the profit for the year if a business does not classify items of capital expenditure and revenue expenditure correctly.

(5)

(Total for Question 17 = 15 marks)

18 (a) Define **each** term:

(2)

other receivables

other payables.

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Hitesh, a trader, maintains a combined rent and rates account.

On 1 April 2025 rent, $300, had been paid in advance and rates, $450, were owing.

During the year ended 31 March 2026 the following payments were made by cheque:

- 1 May 2025, rent, $3 000
- 1 June 2025, rates, $6 750

On 31 March 2026 rates, $900, had been paid in advance and rent, $300, was owing.

(b) Prepare the rent and rates account for the year ended 31 March 2026.

Balance the account at that date and bring the balances down on 1 April 2026.

(8)

Rent and Rates Account

Date	Details	$	Date	Details	$

(c) Advise Hitesh whether he should switch his method of payment for rates from cheque to direct debit.

(5)

(Total for Question 18 = 15 marks)

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

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