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 **4AC1/01**

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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P 7 9 4 5 1 A 0 1 2 4

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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 When would a customer receive a cash discount?

- ☒ **A** Bulk purchases
- ☒ **B** Payment made by cash
- ☒ **C** Payment made within agreed time
- ☒ **D** Regular purchases

(Total for Question 1 = 1 mark)

2 The employees of a business are highly skilled, but this is not recorded in the financial statements of a business.

Which accounting concept is being applied?

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

(Total for Question 2 = 1 mark)

3 Inventory should be recorded at the lower of cost or net realisable value.

Which accounting concept is being applied?

- ☒ **A** Accruals
- ☒ **B** Consistency
- ☒ **C** Materiality
- ☒ **D** Prudence

(Total for Question 3 = 1 mark)

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4 Where are the accounts of credit suppliers maintained?

- ☒ **A** Payables ledger
- ☒ **B** Receivables ledger
- ☒ **C** Purchases day book
- ☒ **D** Sales day book

(Total for Question 4 = 1 mark)

5 Which source document would show bank interest paid?

- ☒ **A** Bank statement
- ☒ **B** Cheque counterfoil
- ☒ **C** Credit note
- ☒ **D** Invoice

(Total for Question 5 = 1 mark)

6 Which is **not** a principle of professional ethics?

- ☒ **A** Confidentiality
- ☒ **B** Duality
- ☒ **C** Integrity
- ☒ **D** Objectivity

(Total for Question 6 = 1 mark)

7 Which type of error was made when rent received from a tenant was debited to the rent receivable account and credited to the cash book?

- ☒ **A** Commission
- ☒ **B** Compensating
- ☒ **C** Complete reversal
- ☒ **D** Principle

(Total for Question 7 = 1 mark)

8 A payment for carriage inwards, $60, had been posted to the credit of carriage outwards.

Which entry would correct the error?

	Debit		Credit	
☒ **A**	Carriage inwards Carriage outwards	$60 $60	Suspense	$120
☒ **B**	Carriage inwards	$60	Suspense	$60
☒ **C**	Suspense	$60	Carriage inwards	$60
☒ **D**	Suspense	$120	Carriage inwards Carriage outwards	$60 $60

(Total for Question 8 = 1 mark)

9 A business maintains a petty cash book with a float of $250. During the month, the total expenses paid from petty cash were $190

What amount was required to restore the float?

☒ **A** $60

☒ **B** $190

☒ **C** $250

☒ **D** $440

(Total for Question 9 = 1 mark)

10 The discount column on the debit side of a trader's cash book totalled $780 and the discount column on the credit side totalled $550

How much discount did the trader receive?

☒ **A** $230

☒ **B** $550

☒ **C** $780

☒ **D** $1330

(Total for Question 10 = 1 mark)

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11 On 31 March 2026 Hayton received the following document.

Cole
High Street, London, W16 3XX

Hayton
Mere Road
Doncaster

Date 31 March 2026

March 2026	Reference	Debit $	Credit $	Balance $
1	Balance	3 420		3 420
8	Sales	1 860		5 280
16	Sales returns		140	5 140
25	Payment		2 400	2 740
25	Discount		60	2 680
31	Balance			2 680
			Amount due	2 680

(a) State the name of the document.

(1)

.....

(b) State the name of the:

(2)

customer

.....

supplier.

.....

(c) State **one** reason why this document was issued.

(1)

.....

(d) State the type of discount applied on 25 March 2026.

(1)

.....

(Total for Question 11 = 5 marks)

12 Identify, indicating with a tick (✓), on which side of the trial balance **each** balance would be entered.

	Debit	**Credit**
Bank loan		
Discount allowed		
Equity		
Returns inwards		
Trade payables control		

(Total for Question 12 = 5 marks)

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13 On 1 April 2026, Zoe owed Juliet, a credit supplier, $765

During the month of April 2026, the following transactions with Juliet took place.

April 2026	Transaction
9	Purchased goods on credit, $268
14	Returned goods, $115
30	Paid the balance owed at 1 April 2026 by cheque

Prepare the account of Juliet in the books of Zoe for the month ended 30 April 2026.
Balance the account on that date and bring the balance down on 1 May 2026.

Juliet Account

Date 2026	Details	$	Date 2026	Details	$

(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 Ivor provided the following information for the year ended 31 March 2026.

	$
At 1 April 2025	
Trade receivables control account balance	92 400
For the year ended 31 March 2026	
Cash sales	12 045
Contra/set-off to trade payables control account	2 680
Credit sales	89 530
Customers' cheques dishonoured	1 720
Discount allowed	1 075
Discount received	1 460
Interest charged on overdue customers' accounts	455
Irrecoverable debts	3 690
Receipts from credit customers	86 570
Refund, by cheque, of credit customer's overpayment	290
Returns inwards	2 880
Returns outwards	1 645

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(a) Prepare the trade receivables control account for the year ended 31 March 2026. Balance the account on this date and bring the balance down on 1 April 2026.

(11)

Trade Receivables Control Account

Date	Details	$	Date	Details	$

Ivor maintains a provision for irrecoverable debts account.

On 1 April 2025, the balance of the provision for irrecoverable debts account was $2 772
He plans to maintain the same rate of provision for the current year.

(b) (i) Calculate the rate of the provision to be applied.

(1)

(ii) Prepare the provision for irrecoverable debts account for the year ended 31 March 2026.

(3)

Provision for Irrecoverable Debts Account

Date	Details	$	Date	Details	$

(Total for Question 14 = 15 marks)

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15 (a) Prepare a trial balance at 1 April 2025 showing the equity at that date.

(7)

Trial balance at 1 April 2025

Account	Amount $	Debit $	Credit $
Bank loan	1 800		
Bank overdraft	1 250		
Equipment	8 400		
Inventory	3 300		
Petty cash	230		
Trade payables	590		
Equity	To be calculated		
Total			

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On 31 March 2026 the following errors were discovered.

- A cheque, $210, received from Aysha had been credited to the account of Ashbee.
- The returns inwards account had been undercast by $100
- No entries had been made for goods, cost $380, taken by the owner for her own use.
- A cheque paid to a credit supplier, $196, had been correctly entered in the cash book but had been posted to the credit supplier's account as $169

(b) Prepare journal entries to correct these errors.

Narratives are **not** required.

(8)

Journal

Date 2026	Details	Debit $	Credit $
March 31			

(Total for Question 15 = 15 marks)

16 Oscar provided the following information after comparing his bank statement for April 2026 with the bank column of his cash book.

- The cash book showed an overdrawn balance of $4 260
- A direct debit payment dated 26 April 2026 for rent, $250, had not yet been entered in the cash book.
- A cheque received from Drayton on 18 April 2026 had been dishonoured. The dishonoured cheque, $480, had not been entered in the cash book.
- Bank interest received on the bank statement, $22, had not yet been entered in the cash book.

(a) Complete the table to calculate the corrected balance in the bank column of the cash book at 30 April 2026.

(5)

	$
Cash book balance at 30 April 2026	
Direct debit payment	
Dishonoured cheque	
Bank interest received	
Corrected cash book balance at 30 April 2026	

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Additional information at 30 April 2026

- The following cheques were unpresented
  Cheque number 283550, $710
  Cheque number 283551, $245
- Oscar had paid $320 into the bank which was not shown on the bank statement.

(b) Prepare a bank reconciliation statement at 30 April 2026

(5)

Bank Reconciliation Statement at 30 April 2026

	$	$
Balance per updated cash book		
Balance per bank statement		

Oscar does not prepare bank reconciliation statements on a regular basis, but he plans to start preparing them on a monthly basis.

(c) Discuss the advantages of preparing monthly bank reconciliation statements and advise Oscar whether he should go ahead with his plan.

(5)

(Total for Question 16 = 15 marks)

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17 (a) State **two** causes of depreciation.

(2)

1 .....

2 .....

(b) State, with reference to a relevant accounting concept, **two** effects on the financial statements of not accounting for depreciation on non-current assets.

(3)

Accounting concept .....

1 .....

.....

.....

2 .....

.....

.....

Jenson depreciates his equipment on a monthly basis using the straight-line method at 20% per annum.

Equipment is depreciated both in the year of acquisition and in the year of disposal.

On 1 April 2025, the balances of each account were:

Equipment – cost	$4 800
Equipment – provision for depreciation	$1 680

On 1 July 2025, Jenson purchased new equipment, $1 500, paid by bank transfer.

On 31 March 2026, equipment originally purchased on 1 April 2023 for $400 was sold for cash, $150

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(c) Prepare **each** account for the year ended 31 March 2026.

(10)

Equipment – Cost Account

Date	Details	$	Date	Details	$

Equipment – Provision for Depreciation Account

Date	Details	$	Date	Details	$

Disposal Account

Date	Details	$	Date	Details	$

(Total for Question 17 = 15 marks)

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

(i) other receivables

(1)

(ii) other payables.

(1)

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Sylvester provided the following information for rent and rates payable for the year ended 31 March 2026.

On 1 April 2025, he owed three months' rent of $1 800 and, on the same date, rates of $960 were paid in advance to 30 June 2025.

During the year ended 31 March 2026, the following payments were made by direct debit.

Date	Details	$
1 May 2025	Nine months' rent	5 400
1 July 2025	Twelve months' rates	4 200
1 March 2026	Four months' rent	2 400

(b) Prepare the rent and rates payable 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 Payable Account

Date	Details	$	Date	Details	$

(c) Explain to Sylvester the effect on his financial statements of not adjusting for both rates paid in advance and rent paid in arrears.

You should refer to an appropriate accounting concept.

(5)

(Total for Question 18 = 15 marks)

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

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