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**Pearson Edexcel
International GCSE**

Centre Number

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Accounting

Paper 1

Wednesday 27 January 2016 – Afternoon
Time: 2 hours 30 minutes

Paper Reference

4AC0/01

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.*

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.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Write your answers neatly in good English.
- 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.

Some questions must be answered with a cross in a 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 transaction would be recorded in the sales ledger?

- A** sale of a fixed asset for cash
- B** sale of goods for cash
- C** sale of a fixed asset on credit
- D** sale of goods on credit

(Total for Question 1 = 1 mark)

2 Which transaction would be recorded in the purchases journal?

- A** purchase of goods for cash
- B** purchase of goods on credit
- C** purchase of machinery on credit
- D** purchase of stationery for cash

(Total for Question 2 = 1 mark)

3 Where is the total of the discount recorded on the debit side of a cash book posted?

- A** credit discount allowed account
- B** credit discount received account
- C** debit discount allowed account
- D** debit discount received account

(Total for Question 3 = 1 mark)

4 Which of the following transactions represents capital expenditure to a sole trader?

- A** additional capital invested by the owner
- B** cash withdrawn by the owner
- C** expenditure on the improvement of fixed assets
- D** expenditure to finance day to day expenses

(Total for Question 4 = 1 mark)

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5 Which item would **not** appear in the manufacturing account?

- A cost of goods sold
- B cost of production
- C prime cost
- D work in progress

(Total for Question 5 = 1 mark)

6 Which of the following is a factory overhead?

- A carriage inwards on raw materials
- B factory supervisor's salary
- C hire of special machinery
- D manufacturing wages

(Total for Question 6 = 1 mark)

7 In the absence of a partnership agreement which statement is correct?

- A partners receive interest on drawings
- B partners are charged interest on drawings
- C partners receive equal monthly salaries
- D partners receive equal shares of profits and losses

(Total for Question 7 = 1 mark)

8 What are the entries to record the interest on a loan from a partner?

| | Account debited | Account credited |
|----------------------------|-----------------|------------------|
| <input type="checkbox"/> A | appropriation | current |
| <input type="checkbox"/> B | current | appropriation |
| <input type="checkbox"/> C | current | profit and loss |
| <input type="checkbox"/> D | profit and loss | current |

(Total for Question 8 = 1 mark)



P 4 6 7 9 0 A 0 3 2 0

9 When would a limited company pay an interim dividend?

- A at the beginning of the year
- B at the end of the year
- C during the year
- D when a profit has been made

(Total for Question 9 = 1 mark)

10 Which accounting concept is being applied when a business uses the same method of depreciation each year?

- A business entity
- B consistency
- C money measurement
- D prudence

(Total for Question 10 = 1 mark)

TOTAL FOR SECTION A = 10 MARKS

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SECTION B

Answer ALL questions.

11 Robin Bird, a sole trader, maintains a full set of accounting books.

(a) State **one** source document Robin would use to record transactions in **each** of the following books of original entry.

(4)

| Book of original entry | Document |
|-------------------------------|-----------------|
| Cash book | |
| Petty cash book | |
| Purchases book | |
| Returns outwards book | |

During the month of October 2015 the following transactions took place.

| October | |
|----------------|---|
| 2 | Bought goods on credit from C Jay, £320. |
| 7 | Bought goods on credit from R Swallow, £392. |
| 9 | Bought goods on credit from C Jay, £494. |
| 15 | Returned goods to C Jay, £73. |
| 21 | Paid to C Jay the balance owing on his account on 1 October 2015, £686. |
| 31 | Returned goods to R Swallow, £47. |

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(b) Prepare the account of C Jay, in the books of Robin Bird, for the month of October 2015. Balance the account at that date and bring the balance down on 1 November 2015.

On 1 October 2015 Robin Bird owed £686 to C Jay.

(6)

C Jay Account

| Date | Narrative | £ | Date | Narrative | £ |
|------|-----------|---|------|-----------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |

(c) Prepare the statement of account that C Jay would send to Robin Bird for the month of October 2015.

(6)

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At the year end of 31 October 2015 Robin provided the following information.

| | | | |
|--|---------|------------------------------|---------|
| Debtors at 1 November 2014 | £35 000 | Debtors at 31 October 2015 | £45 000 |
| Creditors at 1 November 2014 | £25 600 | Creditors at 31 October 2015 | £32 600 |
| Credit Sales for year ended 31 October 2015 £252 693 | | | |
| Credit purchases for year ended 31 October 2015 £237 980 | | | |

(d) Calculate the debtors' collection period and the creditors' payment period (in days). (4)

Debtors collection period

| Formula | Calculation |
|---------|-------------|
| | |

Creditors payment period

| Formula | Calculation |
|---------|-------------|
| | |

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12 On 31 December 2015 the following balances were extracted from the books of Pip, a sole trader.

| Account | Balance |
|--|---------|
| | £ |
| Bad debts | 3 200 |
| Business rates | 4 650 |
| Carriage inwards | 12 318 |
| Carriage outwards | 28 663 |
| Fixtures and fittings – cost | 20 000 |
| General expenses | 23 897 |
| Insurance | 4 322 |
| Motor expenses | 27 690 |
| Motor vehicles – cost | 30 000 |
| Opening stock | 45 000 |
| Premises – cost | 250 000 |
| Provision for depreciation – fixtures and fittings | 5 000 |
| Provision for depreciation – motor vehicles | 10 000 |
| Purchases | 324 897 |
| Returns outwards | 12 579 |
| Sales | 487 600 |

The following additional information at 31 December 2015 should be taken into account.

1. Stock was valued at £56 346.
2. The purchase of a new motor vehicle, £12 000, has been included in the motor expenses account.
3. Depreciation on fixed assets is to be provided for as follows:
 fixtures and fittings 10% per annum using the straight line method
 motor vehicles 25% using the reducing balance method
 it is company policy to provide a full year's depreciation on all assets held at the year end.
4. On 31 December 2015 business rates, £500, were accrued and insurance, £322, was prepaid.
5. During the year Pip had withdrawn stock to the value of £3 290 for his own personal use.

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(b) Making appropriate reference to the accounting concepts that you have used, explain your treatment of additional information (4) and (5).

(5)

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(Total for Question 12 = 25 marks)

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13 At the year end of 30 September 2015 the trial balance of Havisham, a sole trader, balanced. During the following month the following errors were discovered.

(a) Complete the following table to show the type of error in each case.

(3)

| Error | Type of Error |
|--|---------------|
| A sale of goods on credit, £350, to Z Malik had not been recorded in the books. | |
| A cheque received from L Payne, a debtor, had been entered in the accounts as £182, instead of the correct figure of £128. | |
| A payment to R Charles a supplier, £732, had been entered in the account of R Charters. | |

(b) Prepare journal entries to correct these errors. Narratives are not required.

(6)

The Journal

| | Debit £ | Credit £ |
|--|------------|-------------|
| | | |
| | | |
| | | |
| | | |
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| | | |
| | | |

(c) State **one** other use of the general journal in addition to correction of errors.

(1)

(Total for Question 13 = 10 marks)



14 The Great Expectations Mountaineering Club held the following assets and liabilities on 1 August 2014.

| | £ |
|---------------------------------|-------|
| Climbing equipment at valuation | 5 000 |
| Subscriptions in advance | 240 |
| Subscriptions in arrears | 75 |
| Stock of refreshments | 1 560 |
| Cash in hand | 216 |
| Bank overdraft | 841 |
| Clubhouse rent in advance | 230 |

(a) Complete the following trial balance at 1 August 2014 showing the value of the accumulated fund at this date.

(9)

**The Great Expectations Mountaineering Club
Trial balance at 1 August 2014**

| | Debit £ | Credit £ |
|---------------------------------|------------|-------------|
| Climbing equipment at valuation | | |
| Subscriptions in advance | | |
| Subscriptions in arrears | | |
| Stock of refreshments | | |
| Cash in hand | | |
| Bank overdraft | | |
| Clubhouse rent in advance | | |
| Accumulated fund | | |
| | | |

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During the year ended 31 July 2015, the club received subscriptions totalling £3 560. All subscriptions owing on 1 August 2014 were paid during the year. On 31 July 2015, subscriptions owing were £85. There were no subscriptions paid in advance on that date.

- (b) Prepare the club subscriptions account for the year ended 31 July 2015. Balance the account on that date and bring the balance down on **1 August 2015**.

(6)

Subscriptions Account

| Date | Narrative | Amount (£) | Date | Narrative | Amount (£) |
|------|-----------|------------|------|-----------|------------|
| | | | | | |
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(Total for Question 14 = 15 marks)



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- 15 (a) Complete the table below by placing a cross ☒ to indicate whether the item would be entered on the debit side or credit side of a cash book.

(8)

| | Debit Side | Credit Side |
|-----------------------|-------------------------------------|-------------------------------------|
| Bank charges | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Credit transfer | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Direct debit | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Dishonoured cheque | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Dividend received | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Interest earned | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Interest on overdraft | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Standing order | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

On 1 December 2015 the cash book of Copperfield, a sole trader, showed a debit balance of £1 780. On the same date a bank statement was received which showed a credit balance of £2 075.

Further investigation revealed that on that date there were uncleared lodgements of £380 and two unpresented cheques: number 12578, £425, and number 12780, £250.

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