

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 Identify which is a liability.

- A Inventories
- B Other payables
- C Other receivables
- D Petty cash

(Total for Question 1 = 1 mark)

2 Identify the term used to describe an instruction to a bank to make a fixed payment to a supplier on the last day of every month.

- A Cheque
- B Credit transfer
- C Direct debit
- D Standing order

(Total for Question 2 = 1 mark)

3 Identify which account always has a credit balance.

- A Carriage inwards
- B Carriage outwards
- C Discount allowed
- D Discount received

(Total for Question 3 = 1 mark)

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4 Identify what the closing balance on a trade receivables ledger control account represents.

- A The amount owing by credit customers
- B The amount owing to credit suppliers
- C The total amount of credit sales for the year
- D The total amount received from credit customers for the year

(Total for Question 4 = 1 mark)

5 Identify which of the following represents capital expenditure.

- A Additional capital invested by the owner
- B Drawings by the owner
- C Expenditure on the purchase of non-current assets
- D Expenditure on the maintenance of non-current assets

(Total for Question 5 = 1 mark)

6 A trader sells 20 items at \$8 each to a credit customer less a trade discount of 10%.

The customer returns five of these items.

Identify which amount will be shown on the credit note issued.

- A \$44
- B \$40
- C \$38
- D \$36

(Total for Question 6 = 1 mark)

- 7 A business purchases a machine for \$40 000. Depreciation is charged at 25% per annum on a straight line basis.

Identify the net book value of the machine after two years.

- A \$10 000
- B \$20 000
- C \$22 500
- D \$30 000

(Total for Question 7 = 1 mark)

- 8 A business maintains a petty cash book with a float of \$300. During the month it spent \$185 on petty cash items.

Identify the amount required to restore the float at the end of the month.

- A \$485
- B \$300
- C \$185
- D \$115

(Total for Question 8 = 1 mark)

- 9 At the start of the year a business's rent received account had a debit balance of \$200. During the year \$250 per month was received from a tenant. At the end of the year the account had a credit balance of \$100.

Identify the amount to be shown on the income statement for rent received for the year.

- A \$3 100
- B \$3 000
- C \$2 800
- D \$2 700

(Total for Question 9 = 1 mark)

10 A sole trader's draft profit for the year ended 30 April 2023 was \$65 000 **before** adjusting for an outstanding invoice for light and heat totalling \$1 200 for the three months ending 31 May 2023.

Identify the adjusted profit for the year ended 30 April 2023.

- A** \$66 200
- B** \$65 800
- C** \$64 200
- D** \$63 800

(Total for Question 10 = 1 mark)



11 (a) Complete the document.

(3)

Invoice			
Shaw Supplies Potter Road Reigate RH2 1BS			
Chetsy Ongar Road Addlestone KT13 8AX		No: 1057	
		Date: 1 March 2023	
Description	Quantity	Unit cost \$	Total cost \$
Bikes	18	300	
Trade discount 10%			
Total			
Terms: Cash discount of 5% for payment within 7 days			

(b) Calculate the amount paid if payment was made on:

(i) 3 March 2023

(1)

(ii) 9 March 2023.

(1)

(Total for Question 11 = 5 marks)



12 State the book of original entry used to record each transaction.

Transaction	Book of original entry
Write-off of an irrecoverable debt.	
Return of goods from a credit customer.	
Return of goods to a credit supplier.	
Purchase by cheque of a non-current asset.	
Purchase on credit of a non-current asset.	

(Total for Question 12 = 5 marks)

13 Identify, indicating with a tick (✓), on which side of a trade payables ledger control account **each** would be entered.

	Debit side	Credit side
Credit purchases		
Discount received		
Interest charged		
Returns outwards		
Transfer to trade receivables ledger control account		

(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 Rodrigo provided the following balances at 30 April 2023.

(a) Prepare the trial balance entering any difference in an appropriate account.

(9)

Trial balance at 30 April 2023			
Account	Balance \$	Debit \$	Credit \$
Bank loan	18 450		
Carriage inwards	183		
Cash	3 964		
Drawings	19 730		
Equipment cost	37 860		
Equipment provision for depreciation	13 940		
Equity	28 500		
General expenses	21 010		
Inventory at 1 May 2022	23 940		
Purchases	69 875		
Revenue	136 210		
Trade payables ledger control	8 352		
Trade receivables ledger control	17 197		
Wages	6 000		
Total			

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15 (a) State **two** reasons for offering a trade discount.

(2)

1

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2

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(b) State **two** reasons why a credit customer's account may have a credit balance.

(2)

1

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2

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Kirk maintains a full set of accounting books and offers credit customers a 5% trade discount on orders over \$1 000

During January 2023 the following transactions took place between Kirk and Bella.

January 2023	Transaction
2	Cheque received, \$3 500, in full settlement of the account balance on 1 January 2023 of \$3 720
9	Sold goods, list price \$880
17	Returned goods sold on 9 January 2023, \$170
28	Sold goods, list price \$1 300

(c) Prepare the account of Bella for the month of January 2023. Balance the account on 31 January 2023 and bring the balance down on 1 February 2023.

(7)

Bella Account

Date 2023	Details	\$	Date 2023	Details	\$

(d) (i) State **two** benefits of using accounting software.

(2)

- 1
- 2

(ii) State **two** methods of protecting data when using accounting software.

(2)

- 1
- 2

(Total for Question 15 = 15 marks)

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16 Keren maintains a three-column cash book.

On 1 March 2023 the balances were: bank \$1 726 overdrawn, cash \$350

The following transactions took place during March 2023.

March 2023	Transaction
1	Sold goods for cash, \$490
2	Received notice from the bank that a cheque received from Arthur, \$350, had been dishonoured.
4	Paid SW Electric, \$190, by standing order.
11	Received a credit transfer, \$878, from Jules in full settlement of her account balance, \$950
20	Banked cash, \$440
26	Paid Zelen, \$686, by cheque in full settlement of an invoice after taking a 2% cash discount.
27	Paid wages by cash, \$100
29	Paid bank charges, \$8

Prepare the three-column cash book on page 13. Balance the cash book on 31 March 2023 and bring the balances down on 1 April 2023.

(15)



17 Jack provided the following information for the year ended 30 April 2023.

1 May 2022	Stationery account balance \$250
10 May 2022	Purchased stationery, \$80, paying by cheque.
17 May 2022	Returned stationery, \$15, refund received by cheque.
29 August 2022	Jack took stationery, \$25, for his personal use.
30 April 2023	Closing stationery was valued at \$190

- (a) (i) Prepare the stationery account for the year ended 30 April 2023. Balance the account on this date and bring the balance down on 1 May 2023.

(7)

Stationery Account

Date	Details	\$	Date	Details	\$

- (ii) State the accounting concept that applies when taking stationery for personal use.

(1)

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On 1 May 2022 insurance paid in advance was \$360

On 1 July 2022, insurance, \$1980, was paid by cheque. This covered the twelve month period ending 30 June 2023.

(b) (i) Prepare the insurance account for the year ended 30 April 2023. Balance the account on this date and bring the balance down on 1 May 2023.

(5)

Insurance Account

Date	Details	\$	Date	Details	\$

(ii) Explain, referring to an accounting concept, why it was necessary to adjust for the amount paid in advance on 30 April 2023.

(2)

Accounting concept

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Explanation

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(Total for Question 17 = 15 marks)



18 (a) Explain **one** difference between an irrecoverable debt and a provision for irrecoverable debts.

(2)

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Xi provided the following information at 1 May 2022

Account	\$
Trade receivables	18 600
Provision for irrecoverable debts	744

(b) Calculate the rate of the provision for irrecoverable debts.

(1)

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On 30 April 2023 trade receivables were \$21 500

An irrecoverable debt of \$750 was to be written off.

(c) Calculate at 30 April 2023:

(i) trade receivables

(1)

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(ii) provision for irrecoverable debts.

(1)

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(iii) Prepare the provision for irrecoverable debts account for the year ended 30 April 2023. Balance the account on this date and bring the balance down on 1 May 2023.

(4)

Provision for Irrecoverable Debts Account

Date	Details	\$	Date	Details	\$

(d) Identify, indicating with a tick (✓), where the balance of each account would be shown in a statement of financial position.

(2)

Account	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Provision for depreciation				
Provision for irrecoverable debts				

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