

Please check the examination details below before entering your candidate information

Candidate surname	Other names
Centre Number	Candidate Number
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Pearson Edexcel International GCSE

Monday 12 May 2025

Afternoon (Time: 2 hours)	Paper reference	4AC1/01R
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Accounting

Level 1/2

PAPER 1: Introduction to Bookkeeping and Accounting

You do not need any other materials.	Total Marks
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### 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 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 indicates a business's intention to buy goods from a supplier?

- A** Credit note
- B** Purchase invoice
- C** Purchase order
- D** Remittance advice

**(Total for Question 1 = 1 mark)**

**2** When would a business issue an invoice?

- A** Goods returned by a cash customer
- B** Goods returned by a credit customer
- C** Goods sold to a cash customer
- D** Goods sold to a credit customer

**(Total for Question 2 = 1 mark)**

**3** Which book of original entry is used to record the purchase of a non-current asset on credit?

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

**(Total for Question 3 = 1 mark)**

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4 Which account balance could appear on either the debit side or the credit side of a trial balance?

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

(Total for Question 4 = 1 mark)

5 When is a suspense account opened?

- A Business makes a loss for the year
- B Business makes a profit for the year
- C Trial balance balances
- D Trial balance does not balance

(Total for Question 5 = 1 mark)

6 When would a business allow a customer a cash discount?

- A Customer had purchased previously
- B Customer paid in cash
- C Customer paid their account within stated time
- D Customer purchased a large amount of goods

(Total for Question 6 = 1 mark)

7 Which of the following pairs of accounts always has a credit balance?

- A Assets and expenses
- B Equity and expenses
- C Income and assets
- D Liabilities and income

(Total for Question 7 = 1 mark)

8 Which type of business organisation does **not** have as its main objective to make profits?

- A Partnership
- B Private sector organisation
- C Public sector organisation
- D Sole trader

(Total for Question 8 = 1 mark)

9 Which accounting concept is described in the statement:

“Every business is regarded as having an existence separate from that of its owner”?

- A Business entity
- B Consistency
- C Materiality
- D Prudence

(Total for Question 9 = 1 mark)

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

“Accountants must be straightforward and honest in all their dealings”?

- 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.

<b>Invoice</b>			
<b>Novura Trading Co Ho Chi Minh City Vietnam</b>			
All Media Ltd Petronas Towers Kuala Lumpur		Invoice No: 9999	
		Date: 1 May 2025	
Description	Quantity	Unit cost \$	Total cost \$
3 core cable	150	5.00	(i)
2 core cable	400	2.20	(ii)
Subtotal			(iii)
Trade discount 20%			(iv)
Total			(v)
Terms: 5% discount for 30 days settlement.			

**(Total for Question 11 = 5 marks)**

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

	<b>Capital expenditure</b>	<b>Revenue expenditure</b>
Purchase of new machinery		
Machinery repairs		
Legal fees paid for factory extension		
Painting sign on new vehicle		
Repainting sign on vehicle		

**(Total for Question 12 = 5 marks)**

**13** (a) State **two** methods of calculating depreciation.

(2)

1 .....

2 .....

(b) State **two** reasons why non-current assets depreciate.

(2)

1 .....

2 .....

(c) State **one** accounting concept which applies when depreciating non-current assets.

(1)

.....

**(Total for Question 13 = 5 marks)**

**TOTAL FOR SECTION A = 25 MARKS**

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During January 2025, the following expenses were paid from petty cash.

Jan		\$
2	Postage stamps	12
5	Taxi fare	6
10	Stationery	21
18	Office cleaner	30
24	Printer ink	15
28	Train fare	26

On 31 January 2025, Tariq withdrew an amount from the business bank account to restore the petty cash book to its opening balance.

- (b) Prepare the petty cash book for the month of January 2025. Balance the petty cash book on 31 January 2025 and bring the balance down on 1 February 2025.

(9)





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**15** On 30 April 2025, a trader identified the following errors.

1	The purchase of a motor vehicle had been entered in the motor expenses account.
2	A payment to George, a credit supplier, had been recorded on the debit side of the bank account and the credit side of George's account.
3	A credit sale to Dalton had been posted to David's account.
4	No entries had been made for goods taken by the owner for their own use.
5	A sales invoice, \$320, had been recorded as \$230 in the sales day book.

Complete the table below to indicate the type of error and the double entry required to correct **each** error.

	Type of error	Account to be debited	Account to be credited
1			
2			
3			
4			
5			

**(Total for Question 15 = 15 marks)**

**16** (a) Identify, indicating with a tick (✓), whether **each** item would be entered on the debit side or the credit side of a cash book.

(8)

	Debit side	Credit side
Bank charges		
Cash drawings by owner		
Customer cheque dishonoured		
Electricity paid by direct debit		
Electronic receipt from a credit customer		
Interest charged on overdraft		
Interest received		
Refund from a supplier by cheque		

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On 28 February 2025, Malla’s cash book showed a balance of \$3 200 (Dr).

On the same date, he downloaded a copy of his bank statement which showed a balance of \$2 215 (Cr).

The bank advised him that a cheque received from FG Holdings, \$340, had been returned by the bank unpaid.

He identified the following transactions that had not yet been processed by the bank:

- the takings from the last day of the month, \$1 750
- two cheques issued during the month had not yet been presented to the bank for payment:
  - AB Supplies \$430
  - TW Engineers \$675

(b) Prepare a bank reconciliation statement at 28 February 2025.

(5)

**Malla**

**Bank Reconciliation Statement at 28 February 2025**

	\$
Balance as per cash book	

(c) State **two** reasons why a bank may refuse to pay a cheque received.

(2)

1 .....

.....

2 .....

.....

**(Total for Question 16 = 15 marks)**



17 (a) Explain how the preparation of a trade receivables control account can help to prevent fraud.

(2)

.....

.....

.....

.....

Rio sells goods on credit to Paulo. He also purchases goods from Paulo on credit.

The two businesses have an agreement that they will always settle their accounts on the last day of each month.

During the month of March 2025, the following transactions took place between them.

March	Transaction
2	Rio sold goods on credit to Paulo, \$580
18	Rio purchased goods on credit from Paulo, \$690
21	Rio returned goods to Paulo, \$80
28	Paulo returned goods to Rio, \$110
31	Rio set off the balance on the two accounts and a payment was made to settle the remaining balance.

(b) Prepare, for the month ended 31 March 2025, in the books of Rio, the account of Paulo in **both** the receivables ledger and the payables ledger.

(8)

**Receivables Ledger Paulo Account**

Date	Details	\$	Date	Details	\$

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**18 (a)** State the accounting concept that applies when creating a provision for irrecoverable debts. (1)

.....

Asif has been experiencing difficulties in getting his trade receivables to pay their accounts on time.

**(b)** Explain **two** ways Asif could encourage his trade receivables to pay on time. (4)

1 .....

.....

2 .....

.....

Asif maintains a provision for irrecoverable debts of 2% of trade receivables. On 1 January 2024, the trade receivables balance was \$24 000 and on 31 December 2024, it was \$28 000

**(c)** Prepare the provision for irrecoverable debts account for the year ended 31 December 2024. Balance the account at that date and bring the balance down on 1 January 2025. (3)

**Provision for Irrecoverable Debts Account**

Date	Details	\$	Date	Details	\$

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**(Total for Question 18 = 15 marks)**

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



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