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Centre Number	Candidate Number
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Pearson Edexcel International GCSE

Wednesday 29 October 2025

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

Level 1/2

PAPER 1: Introduction to Bookkeeping and Accounting

<p style="margin: 0;">You must have:</p> <p style="margin: 0;">Calculator</p>	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 is sent to a customer showing the transactions that took place during a particular period of time?

- A Credit note
- B Invoice
- C Receipt
- D Statement of account

(Total for Question 1 = 1 mark)

2 Which account **always** has a credit balance?

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

(Total for Question 2 = 1 mark)

3 Which transaction will be recorded in the sales day book?

- A Sale of goods for cash
- B Sale of goods on credit
- C Sale of a non-current asset for cash
- D Sale of a non-current asset on credit

(Total for Question 3 = 1 mark)

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4 Where is discount allowed initially recorded?

- A Cash book
- B General journal
- C General ledger
- D Purchases day book

(Total for Question 4 = 1 mark)

5 Which is shown in the equity account?

- A Gross profit for the year
- B Loss on disposal
- C Profit for the year
- D Profit on disposal

(Total for Question 5 = 1 mark)

6 What does the closing balance on a trade payables control account represent?

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

(Total for Question 6 = 1 mark)



7 Which principle of professional ethics is being described?

'Accountants must be free from bias or conflict of interest.'

- A Confidentiality
- B Integrity
- C Objectivity
- D Professional behaviour

(Total for Question 7 = 1 mark)

8 Which one is a reason for a business to depreciate a non-current asset?

- A To know the profit or loss on disposal
- B To know the value at the end of its useful life
- C To provide cash for its replacement
- D To spread the cost over its expected useful life

(Total for Question 8 = 1 mark)

9 Which accounting concept is being described?

'The skills and knowledge of a workforce are not shown as an asset in the financial statements.'

- A Business entity
- B Consistency
- C Materiality
- D Money measurement

(Total for Question 9 = 1 mark)

10 A business maintains a petty cash book with a float of \$250. During the month the total expenses paid from petty cash were \$180

Which amount is required to restore the float?

- A \$70
- B \$180
- C \$250
- D \$430

(Total for Question 10 = 1 mark)



11 (a) State the book of original entry used to record the write-off of an irrecoverable debt.

(1)

(b) State the double entry to record **each** transaction:

(i) the write-off of an irrecoverable debt

(2)

Account to be debited	Account to be credited

(ii) the creation of a provision for an irrecoverable debt.

(2)

Account to be debited	Account to be credited

(Total for Question 11 = 5 marks)

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12 State the source document for **each** transaction. The first one has been completed for you.

Transaction	Source document
<i>Sale of goods to a credit customer</i>	<i>Sales invoice</i>
Receipt from a customer by credit transfer	
Return of goods to a credit supplier	
Purchase of a non-current asset on credit	
Receipt of bank interest	
Issue of a cheque for personal use	

(Total for Question 12 = 5 marks)

13 Identify, indicating with a tick (✓), where **each** would be entered in a **trade receivables control account**.

	Debit side	Credit side	No entry
Cash sales			
Contra to trade payables control account			
Discount allowed			
Interest charged to customer			
Returns outwards			

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

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SECTION B

Answer ALL questions. Write your answers in the spaces provided.

14 Sean, a sole trader, maintains a full set of accounting records.

On 1 July 2025 Sean owed Sui, a credit supplier, \$1 540 for goods purchased on 30 June 2025.

Sui allows a trade discount of 15% on all credit purchases made by Sean over \$500. Sui also allows Sean a cash discount of 5% on all payments made within 10 days of purchase.

The following transactions took place between Sean and Sui during July 2025.

July	Transaction
4	Purchased goods on credit, list price \$620
8	Paid the outstanding balance at 1 July by bank transfer.
10	Returned some of the goods purchased on 4 July, \$80
25	Paid the remaining balance on Sui's account by bank transfer.
29	Purchased goods on credit, list price \$340

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(a) Prepare the following books of original entry for the month of July 2025 showing the total for the month.

(i)

(3)

Purchases Day Book

Date	Supplier	\$

(ii)

(2)

Purchase Returns Day Book

Date	Supplier	\$

On 1 July 2025 the balance of the purchases account was \$12 868

(b) Prepare the purchases account for the year ended 31 July 2025.

(2)

Purchases Account

Date	Details	\$	Date	Details	\$



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(c) Prepare the account of Sui in Sean's books of account. Balance the account on 31 July 2025 and bring the balance down on 1 August 2025.

(8)

Sui Account

Date	Details	\$	Date	Details	\$

(Total for Question 14 = 15 marks)



15 On 30 September 2025 Lee prepared a trial balance that did not agree. The difference was entered in a suspense account.

Lee found the following errors.

1. No entries had been made for goods, cost \$183, taken by Lee for his own use.
2. Returns inwards of \$290 had been posted to the credit of returns outwards account.
3. A credit purchase, \$108, from Michael, had been credited to the account of Martina.
4. Commission received, \$74, had been debited to both the commission received account and the bank account as \$47

(a) Prepare journal entries to correct **each** error. Dates and narratives are **not** required.

(10)

Journal

Error	Account	Debit \$	Credit \$
1			
2			
3			
4			

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(b) Discuss whether Lee should continue to prepare a trial balance.

(5)

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(Total for Question 15 = 15 marks)



16 Bharti provided the following information in respect of her stationery account.

- On 1 July 2024 inventory of stationery was \$420
- During the year ended 30 June 2025:
 - She paid \$1 070 for stationery
 - She withdrew stationery for her own use costing \$65
- On 30 June 2025:
 - She owed \$130 for stationery
 - Inventory of stationery was \$325

(a) Prepare the stationery account for the year ended 30 June 2025.

Balance the account on this date and bring the balance down on 1 July 2025.

(7)

Stationery Account

Date	Details	\$	Date	Details	\$

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Bharti provided the following information in respect of her rent receivable account.

- On 1 July 2024 she had received rent in advance, \$600
- During the year ended 30 June 2025 she received rent of \$5 200
- On 30 June 2025 she was owed rent of \$280

(b) Prepare the rent receivable account for the year ended 30 June 2025.

Balance the account on this date and bring the balance down on 1 July 2025.

(5)

Rent Receivable Account

Date	Details	\$	Date	Details	\$



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(c) State **three** ways that data may be protected when using a computerised accounting system.

(3)

1

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2

.....

3

.....

(Total for Question 16 = 15 marks)



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17 (a) Explain each term:

(i) capital expenditure

(2)

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.....

(ii) revenue expenditure.

(2)

.....

.....

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Dominic prepares financial statements to 30 June each year.

On 1 July 2025 Dominic purchased a new motor van.

	\$
Basic cost price	45 000
Delivery cost	810
Road fund licence	360
Insurance	1 080
Installation of shelving	590
Annual maintenance contract	860

(b) Calculate for the new motor van the total amount of:

(i) capital expenditure

(1)

(ii) revenue expenditure.

(1)

(iii) Identify, indicating with a tick (✓), the effect on gross profit if the total purchase cost of the new motor van was treated as revenue expenditure.

(1)

Overstated	
Understated	
No effect	

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On 1 July 2022 Dominic purchased new machinery at a cost of \$36 500

On 1 August 2024 he sold the machinery to Gerhardt for \$24 600

Gerhardt paid one third of the sale price by bank transfer on that date with the remainder being transferred to a loan account.

Depreciation is charged at 20% per annum using the reducing balance method. A full year's depreciation is charged in the year of purchase and none in the year of disposal.

(c) (i) Calculate the carrying value of the machinery at 1 August 2024. (1)

(ii) Prepare the disposal account for the year ended 30 June 2025. (7)

Disposal Account

Date	Details	\$	Date	Details	\$

(Total for Question 17 = 15 marks)



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18 Kate maintains a three-column cash book.

On 1 August 2025 the balances were: bank overdraft \$425, cash \$112

The following transactions took place in August 2025.

August	
2	Paid ROH, \$494, by cheque in full settlement of an invoice after taking cash discount of 5%
5	Cash sales, \$835
8	Received notice from the bank that a cheque received from Slater, \$320, had been dishonoured.
13	Paid cash into the bank, \$795
15	Received a credit transfer from Alzate in full settlement of an invoice for \$980 taking a cash discount of 5%
21	Paid NY Electric, \$220, by standing order.
28	Paid cleaner by cash, \$35

(a) Enter the transactions for the month of August 2025 in the cash book.

Balance the cash book on 31 August 2025 and bring the balances down on 1 September 2025.

(10)

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(b) Discuss whether Kate should maintain a petty cash book.

(5)

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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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