

Write your name here

Surname

Other names

**Pearson Edexcel
International GCSE**

Centre Number

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Candidate Number

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Accounting

Level 1/2

Paper 1: Introduction to Bookkeeping and Accounting

Sample assessment material for first teaching
September 2017
Time: 2 hours

Paper Reference

4AC1/01

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.*
- 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.

Questions 1-10 must be answered with 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 statement is **incorrect**

- A assets = liabilities + capital
- B capital = assets – liabilities
- C capital – liabilities = assets
- D liabilities = assets – capital

(Total for Question 1 = 1 mark)

2 Which of the following accounts always has a credit balance?

- A capital
- B cash
- C drawings
- D premises

(Total for Question 2 = 1 mark)

3 In which situation would a cash discount be given?

- A payment is made by cash only
- B payment is made by cash or cheque
- C payment is made within a previously agreed time period
- D purchases are made for cash, not on credit

(Total for Question 3 = 1 mark)

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- 4 A trader operates petty cash on the imprest system with a float of \$200. During the month, the petty cashier spends \$143.28.

How much cash should the petty cashier receive at the end of the month in order to restore the imprest?

- A \$56.72
- B \$143.28
- C \$200
- D \$343.28

(Total for Question 4 = 1 mark)

- 5 The totals of the discount columns in a trader's cash book were \$700 debit and \$200 credit.

What entry will the trader make in the discount received account?

- A \$200 credit
- B \$700 credit
- C \$200 debit
- D \$700 credit

(Total for Question 5 = 1 mark)

- 6 Which is an intangible non-current asset?

- A bank loan
- B debtors
- C goodwill
- D premises

(Total for Question 6 = 1 mark)

- 7 Working capital is the surplus of which of the following?

- A all assets over all liabilities
- B current assets over all liabilities
- C current assets over current liabilities
- D all assets over current liabilities

(Total for Question 7 = 1 mark)

8 An opening credit balance of \$550 in a cash book would mean which of the following?

- A the firm is overdrawn at the bank by \$550
- B the owner's capital is \$550
- C the firm's cash balance is \$550
- D the firm has \$550 in the bank

(Total for Question 8 = 1 mark)

9 Which of the following transactions affects a business's profit?

- A sale of a non-current asset at carrying value
- B settlement of a business debt with discount
- C settlement of a business debt in full
- D transfer of cash to the bank account

(Total for Question 9 = 1 mark)

10 In the absence of a partnership agreement, which of the following applies to all partners?

- A they are charged interest on drawings
- B they receive interest on capital
- C they receive a salary
- D they share profits and losses equally

(Total for Question 10 = 1 mark)

11 (a) Complete the document.

(4)

New Fashions Clothing 33 Eton Square London		
McQueens Clothing 22 Scott Terrace London W2 24 July 2017		
Description	Unit price (£)	Total (£)
10 black coats	65	
5 blue coats	75	
Trade discount 20%		
Total		
Goods damaged in transit		

(b) State the name of this document.

(1)

(Total for Question 11 = 5 marks)

12 Complete the following table to show the book of original entry for each transaction.

Transaction	Book of original entry
Purchase of goods on credit	
Purchase of a non-current asset on credit	
Purchase of a postage stamp	
Purchase of goods paying by cash	
Return of goods previously purchased on credit	

(Total for Question 12 = 5 marks)

13 Aish sells goods on credit and allows all his customers a trade discount of 25%.

On 1 May 2017 Alya, a credit customer, owed Aish €249. During the month of May 2017 the following transactions took place between Aish and Alya.

2017	Transaction
2 May	Sold goods on credit to Alya, list price €240
15 May	Alya returned goods, list price €48
21 May	Alya paid the balance owing on her account at 1 May 2017

Prepare the account of Alya for the month of May 2017.

Balance the account on 31 May 2017 and bring the balance down on 1 June 2017.

Alya Account

Date	Details	€	Date	Details	€

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

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SECTION B

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

14 On 1 July 2016 Amar's ledger showed the following balances:

Trade receivables ledger control account \$24 199

Trade payables ledger control account \$15 397

On 30 June 2017 he provided the following information for the year.

	\$
Cash sales	7 299
Credit sales	562 197
Credit purchases	320 911
Returns from credit customers	21 99
Returns to credit suppliers	1 822
Receipts from credit customers	421 983
Payments to credit suppliers	282 389
Discounts allowed	18 900
Discounts received	13 921
Irrecoverable debts written off	2 391
Credit balance in payables ledger transferred to receivables ledger	432

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15 At the end of each month, Razha prepares a bank reconciliation statement.

(a) Describe **two** reasons why it is necessary to do this.

(4)

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(b) State **two** items that may appear in a bank statement but which will not appear in the cash book until after the bank statement has been received.

(2)

1

2

Razha's cash book for the month of September 2017 showed the following entries.

Cash Book
(bank columns only)

Date	Details	Amount Taka	Date	Details	Amount Taka
1 Sept	Balance b/f	650	2 Sept	Ch 2346 Smith	145
3 Sept	Cash banked	1 200	5 Sept	Ch 2347 Walter	688
24 Sept	Cash banked	2 181	18 Sept	Ch 2348 Mang and Tong	365
30 Sept	Cash banked	2 237	25 Sept	Ch 2349 World Telecom	591
			29 Sept	Ch 2350 Livingstone Ltd	875
			30 Sept	Balance c/d	3 604
		<u>6 268</u>			<u>6 268</u>
1 Oct	Balance b/d	3 604			

On 1 October 2017 Razha received the following bank statement for September 2017.

Razha
Bank Statement

Date	Transaction	Receipts	Payments	Balance
		Taka	Taka	Taka
1 Sept	Balance b/f			860 Cr
2 Sept	Cheque 2345		210	650 Cr
3 Sept	Bank Giro Credit	1 200		1 850 Cr
10 Sept	Cheque 2346		145	1 705 Cr
15 Sept	Cheque 2347		688	1 017 Cr
24 Sept	Bank Giro Credit	2 181		3 198 Cr
29 Sept	Cheque 2348		365	2 833 Cr

(c) Prepare a bank reconciliation statement at 30 September 2017.

(7)

Razha
Bank Reconciliation Statement
at 30 September 2017

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(d) On 30 September 2017 Razha prepared a statement of financial position.

(i) State the amount that should be shown for cash at bank.

(1)

(ii) State where this amount would be shown in the statement of financial position.

(1)

(Total for Question 15 = 15 marks)

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16 (a) Explain the difference between capital expenditure and revenue expenditure.

(6)

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(b) Complete the following table, indicating with a tick (✓) whether the transaction represents capital expenditure, revenue expenditure or neither.

(3)

Transaction	Capital expenditure	Revenue expenditure	Neither
Installation costs of new machinery			
Repairs to machinery			
Receipt of bank loan to pay for machinery			

(c) Assess the effect on a business of the incorrect treatment of capital expenditure and revenue expenditure.

(6)

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(Total for Question 16 = 15 marks)

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17 Arianna maintains a full set of accounting records and extracts a trial balance at the end of each month.

(a) State **two** purposes of a trial balance.

(2)

1

2

(b) Identify **three** types of error that are **not** identified by a trial balance.

(3)

1

2

3

(c) State **two** errors that could cause a trial balance not to balance.

(2)

1

2

Arianna is considering investing in a computerised accounting system to help with her business.

(d) Explain **two** advantages and **two** disadvantages for Arianna of this proposal.

(8)

Advantages

1

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2

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Disadvantages

1

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2

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(Total for Question 17 = 15 marks)

- 18 (a) Complete the following table to show **four** groups of stakeholders and the interests they would have in the financial statements of a business.

(8)

Stakeholder	Interest

- (b) State which accounting concept is being applied in **each** of the following situations:

(i) A trader included sales to a credit customer of £730 on 28 December 2016 in the accounts for the year ended 31 December 2016, which were paid for on 15 January 2017.

(1)

(ii) A trader always uses the same method of depreciation for his non-current assets.

(1)

(iii) A trader records the cost of using his own workforce to build an extension to his house as drawings.

(1)

(c) State **four** of the fundamental principles of professional ethics.

(4)

- 1
- 2
- 3
- 4

(Total for Question 18 = 15 marks)

TOTAL FOR SECTION B = 75 MARKS

TOTAL FOR PAPER = 100 MARKS

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