

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

## Pearson Edexcel International GCSE

**Monday 20 November 2023**

Morning (Time: 1 hour 15 minutes)

Paper  
reference

**4AC1/02**

### Accounting

Level 1/2

**PAPER 2: Financial Statements**

**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 50.
- 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 ►

P73474A

©2023 Pearson Education Ltd.  
Z:1/1/1/1/



  
Pearson

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

- 1** Yola, a manufacturer, provided the following information for the year ended 31 March 2023.

	<b>1 April 2022</b> \$	<b>31 March 2023</b> \$
Inventory		
– raw materials	12 980	19 170
– work in progress	12 340	11 170
– finished goods	20 100	37 800
Carriage inwards		1 610
Carriage outwards		2 390
Electricity		15 000
Factory rent paid		69 800
Insurance		8 000
Other payables – factory supervisor		350
Other receivables – factory rent		12 400
Production machinery		
– cost		206 500
– provision for depreciation		81 000
Purchases – raw materials		186 500
Revenue		827 500
Royalties		12 000
Wages paid		
– production		95 600
– factory supervisor		37 400
– administration		21 500

Production machinery is depreciated at 20% per annum using the reducing balance method. A full year's depreciation is charged in the year of purchase.

Electricity and insurance are apportioned 70% to the factory and 30% to administration.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(a) Prepare, for the year ended 31 March 2023, the:

(i) manufacturing account

(11)

**Yola**  
**Manufacturing Account for the year ended 31 March 2023**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Area with horizontal dotted lines for writing the manufacturing account.



(ii) income statement.

(9)

**Yola**  
**Income Statement for the year ended 31 March 2023**

Area with horizontal dotted lines for writing the income statement.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

On 1 April 2022 Yola's current (working capital) ratio was 1.8:1

On 31 March 2023 the ratio had fallen to 1.1:1

(b) (i) Evaluate the change in the current (working capital) ratio over the year. (2)

.....

.....

.....

(ii) Explain **one** way Yola can improve her working capital position. (3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**(Total for Question 1 = 25 marks)**

---



2 Ed, a sole trader, provided the following information.

<b>Balance at 1 May 2022</b>	<b>\$</b>
Fixtures and fittings	
– cost	123 500
– provision for depreciation	55 575
Bank	1 680
Inventory	25 500
Other payables	1 400
Trade receivables	76 000
Trade payables	25 100

(a) Calculate the equity at 1 May 2022.

(3)

.....

.....

.....

.....

.....

.....



<b>Balance at 30 April 2023</b>	<b>\$</b>
Fixtures and fittings	
– cost	275 000
– provision for depreciation	96 825
Bank	2 650 Cr
Bank loan (2030)	75 000
Inventory	17 600
Other payables	1 900
Trade receivables	86 500
Trade payables	18 540

During the year ended 30 April 2023 Ed took cash of \$6 090 for his own use.

Profit for the year ended 30 April 2023 was \$45 670 before:

- writing off an irrecoverable debt of \$1 000
- creating a provision for irrecoverable debts of 2% of trade receivables.



(b) Prepare the statement of financial position at 30 April 2023.

(17)

**Ed**  
**Statement of Financial Position at 30 April 2023**

Area with horizontal dotted lines for writing the statement of financial position.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Handwriting practice area with 20 horizontal dotted lines.



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Ed is considering investing in a computerised accounting package.

(c) Evaluate the **disadvantages** of this proposal.

(5)

Area with horizontal dotted lines for writing the answer.

(Total for Question 2 = 25 marks)

**TOTAL FOR PAPER = 50 MARKS**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



P 7 3 4 7 4 A 0 1 1 1 2

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**

