

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Thursday 2 November 2023

Morning (Time: 2 hours)

Paper
reference

4AC1/01

Accounting

Level 1/2

PAPER 1: Introduction to Bookkeeping and Accounting

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. 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 what a debit balance of \$100 in a cash account represents.

- A Cash had been overspent by \$100
- B Cash in hand was \$100
- C Total cash paid out was \$100
- D Total cash received was less than \$100

(Total for Question 1 = 1 mark)

2 Identify the reason for offering a cash discount.

- A To encourage bulk buying
- B To encourage prompt payment
- C To gain new customers
- D To reward loyalty

(Total for Question 2 = 1 mark)

3 Identify which transaction would be entered in both the payables ledger and the general ledger.

- A Purchase of goods for cash
- B Purchase of equipment by cheque
- C Return of goods to a credit customer
- D Return of goods to a credit supplier

(Total for Question 3 = 1 mark)

2

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4 Identify which transaction would **not** be entered in a business's cash book.

- A Purchase of goods by cheque
- B Purchase of goods for cash
- C Purchase of machinery on credit
- D Purchase of machinery by credit transfer

(Total for Question 4 = 1 mark)

5 Identify the book of original entry that is also part of the double entry system.

- A Cash book
- B Petty cash book
- C Purchases day book
- D Purchases returns day book

(Total for Question 5 = 1 mark)

6 Identify which **one** of the following would be entered on the **credit** side of the equity account.

- A Cash drawings
- B Goods taken for own use
- C Loss for the year
- D Profit for the year

(Total for Question 6 = 1 mark)

7 Identify which characteristic describes a public sector organisation.

- A Exists to make a profit
- B Exists to serve the community
- C Owned by a sole trader
- D Owned by a partnership

(Total for Question 7 = 1 mark)



8 Identify the professional ethic being described.

'An accountant's knowledge must be at an appropriate level.'

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

(Total for Question 8 = 1 mark)

9 Identify the accounting concept of which the recording of other payables and receivables is an application.

- A Accruals
- B Business entity
- C Money measurement
- D Prudence

(Total for Question 9 = 1 mark)

10 Identify the accounting concept being applied when a trader always uses the same method of depreciation.

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

(Total for Question 10 = 1 mark)



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11 Complete the document.

Credit note			
Crew Warehouse Western Road Glasgow G3 9AB			
KP Wholesalers Elland Road Leeds LS1 1BB		No: 1816	
		Date: 12 April 2023	
Description	Quantity	Unit cost \$	Total cost \$
Lights	60	37.40	
Tyres	85	41.20	
Subtotal			
Trade discount 20%			
Total			

(Total for Question 11 = 5 marks)

12 Identify, indicating with a tick (✓), on which side of a trial balance **each** would be shown.

Account	Debit	Credit
Carriage inwards		
Carriage outwards		
Equity		
Other receivables		
Other payables		

(Total for Question 12 = 5 marks)



13 On 30 September 2023 Roberto received the following document.

Williams				
Barlow Street Manchester M60 3YY				
Roberto Sesame Street Leeds LS3 3BB			Date: 30 September 2023	
Date Sept 2023	Reference	Debit \$	Credit \$	Balance \$
1	Balance	2560		2560
5	Sales	2390		4950
14	Sales returns		80	4870
24	Payment received		1365	3505
24	Discount		35	3470
30	Balance			3470
Amount due				3470

(a) State the name of the document.

(1)

(b) State **one** reason why this document was issued.

(1)

(c) State the name of the:

(2)

customer

supplier.

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(d) Calculate the percentage rate of discount on 24 September 2023.

(1)

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(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 (a) State the source document and book of original entry for **each** transaction.

(8)

Transaction	Source document	Book of original entry
Paid credit supplier by cheque		
Purchased goods on credit		
Returned faulty goods to credit supplier		
Purchased non-current asset on credit		

On 1 April 2023 Magnusson owed Tina, a credit supplier, \$750

The following transactions took place between them during April 2023.

April	Transaction
4	Paid the balance at 1 April 2023 by cheque after deducting a 2% cash discount.
12	Purchased goods on credit, \$2 120
22	Returned faulty goods, \$130

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(b) Prepare the account of Tina. Balance the account on 30 April 2023 and bring the balance down on 1 May 2023.

(6)

Tina Account

Date 2023	Details	\$	Date 2023	Details	\$

(c) State **one** reason why a supplier's account could have a debit balance.

(1)

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(Total for Question 14 = 15 marks)



P 7 3 4 7 3 A 0 9 2 0

15 On 31 August 2023 Jones, a sole trader, identified the following errors and omissions.

1. A withdrawal of cash for personal use, \$650, had not been recorded.
2. A payment for motor expenses, \$234, had been posted to the motor vehicles account.
3. A cheque paid for general expenses, \$65, had been entered in the cash book as \$56

(a) Prepare journal entries to record the correction of **each** of these errors and omissions.
Narratives are not required.

(6)

	Account	Debit \$	Credit \$
August 31			



(b) Identify, indicating with a tick (✓), the effect, if any, on the profit for the year ended 31 August 2023 following the correction of **each** error and omission. (3)

Error	Increase	Decrease	No effect
1			
2			
3			

(c) State which account is opened when a trial balance does not balance. (1)

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(d) (i) Explain **one** benefit of preparing a trial balance. (2)

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(ii) Explain **one** limitation of preparing a trial balance. (3)

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(Total for Question 15 = 15 marks)



16 Vijul provided the following information for the year ended 31 March 2023.

	\$
Trade receivables ledger control account balance at 1 April 2022	19 900
Trade receivables ledger control account balance at 31 March 2023	To be calculated
Cash sales	1 444
Credit sales	198 301
Customer cheque dishonoured	210
Contra/set off to trade payables ledger	1 325
Discount allowed	1 274
Discount received	1 306
Irrecoverable debts	350
Receipts from credit customers	196 612
Returns inwards	570
Returns outwards	682

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- (a) Prepare the trade receivables ledger control account for the year ended 31 March 2023.
Balance the account on this date and bring the balance down on 1 April 2023.

(10)

Trade Receivables Ledger Control Account

Date	Details	\$	Date	Details	\$

Vijul maintains a provision for irrecoverable debts at 5% of trade receivables.

- (b) Prepare the provision for irrecoverable debts account for the year ended 31 March 2023 showing the transfer to the income statement.

(3)

Provision for Irrecoverable Debts Account

Date	Details	\$	Date	Details	\$



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

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(c) State **two** ways in which Vijul can encourage his credit customers to pay their accounts promptly.

(2)

1

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2

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(Total for Question 16 = 15 marks)



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17 (a) State **one** benefit of preparing a bank reconciliation statement.

(1)

On 31 March 2023 Waan identified that the following transactions had not yet been entered in the cash book.

- Cash banked, \$350
- Cheque to restore petty cash, \$75
- Bank interest received, \$8
- Standing order for rent, \$300

(b) (i) Prepare the updated cash book on 31 March 2023 and bring the balance down on 1 April 2023.

(5)

Cash Book – Bank Column

Date 2023	Details	\$	Date 2023	Details	\$
March 31	Balance b/d	1 100			

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On 31 March 2023 Waan's bank statement showed a credit balance of \$528

She identified that the following had not been processed by the bank.

- Unpresented cheques, \$215
- Outstanding lodgements, \$770

(ii) Prepare a bank reconciliation statement at 31 March 2023.

(5)

Waan
Bank Reconciliation Statement at 31 March 2023

	\$
Updated cash book balance	

(c) State **two** characteristics of **each** method of payment.

(i) Standing order

(2)

1

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2

.....

(ii) Direct debit

(2)

1

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2

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(Total for Question 17 = 15 marks)

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18 (a) Explain **one** reason why it is necessary to provide for depreciation on non-current assets.

(2)

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On 1 January 2022 the balance on the motor vehicles cost account was \$76 600

On 1 March 2022 a motor vehicle was sold for \$12 000, payment being received by cheque. This motor vehicle was originally purchased on 1 January 2020 for \$18 000

On 1 June 2022 a new motor vehicle was purchased costing \$21 500, paid for by cheque.

Motor vehicles are depreciated at 25% per annum using the reducing balance method. A full year's depreciation is charged in the year of purchase but none in the year of disposal.

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(b) Prepare the following accounts for the year ended 31 December 2022.

(9)

Motor Vehicles – Cost Account

Date	Details	\$	Date	Details	\$

Disposal Account

Date	Details	\$	Date	Details	\$

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(c) (i) Identify, indicating with a tick (✓), the effect on gross profit if the purchase of the new vehicle was treated as revenue expenditure.

(1)

Overstated	
Understated	
No effect	

(ii) Explain why the purchase of the new motor vehicle was treated as capital expenditure.

(3)

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(Total for Question 18 = 15 marks)

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

