

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Wednesday 15 May 2024

Afternoon (Time: 2 hours)

Paper
reference

4WAC1/01

Accounting (Modular)

Level 1/2

**UNIT 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 Which book of original entry is used to record small cash payments?

- A Journal
- B Petty cash book
- C Purchases day book
- D Three column cash book

(Total for Question 1 = 1 mark)

2 Which transaction will be recorded in the purchases day book?

- A Purchase of goods by cash
- B Purchase of goods on credit
- C Purchase of a machine on credit
- D Purchase of stationery by cash

(Total for Question 2 = 1 mark)

3 Which transaction would cause a decrease in trade payables?

- A Purchase of goods from a credit supplier
- B Return of goods from a credit customer
- C Return of goods to a credit supplier
- D Sale of goods to a credit customer

(Total for Question 3 = 1 mark)

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4 Where would the total discounts on the credit side of a cash book be posted?

- A Credit discounts allowed
- B Credit discounts received
- C Debit discounts allowed
- D Debit discounts received

(Total for Question 4 = 1 mark)

5 Which **one** of the following is **not** an asset?

- A Inventory
- B Premises
- C Trade payables
- D Trade receivables

(Total for Question 5 = 1 mark)

6 Which accounting concept is described in the statement
'The business will continue in existence for the foreseeable future'?

- A Business entity
- B Consistency
- C Going concern
- D Prudence

(Total for Question 6 = 1 mark)

7 Which accounting concept is described in the statement
'Profits and assets are not overstated'?

- A Business entity
- B Consistency
- C Going concern
- D Prudence

(Total for Question 7 = 1 mark)



8 Which **one** of the following is **not** a principle of professional ethics?

- A Confidentiality
- B Duality
- C Integrity
- D Objectivity

(Total for Question 8 = 1 mark)

9 A trader purchases goods with a list price of \$600. He receives a trade discount of 20% and a cash discount of 5%. What amount should be entered in the purchases account?

- A \$600
- B \$570
- C \$480
- D \$456

(Total for Question 9 = 1 mark)

10 A business sells a non-current asset for \$3 500. The non-current asset had an original cost of \$12 500 and had been depreciated by \$8 000

Identify the profit or loss on disposal.

- A \$1 000 profit
- B \$1 000 loss
- C \$4 500 profit
- D \$4 500 loss

(Total for Question 10 = 1 mark)



11 State the source document for **each** transaction.

Transaction	Source document
Returned goods to a credit supplier	
Purchased refreshments for office	
Received bank interest	
Purchased non-current asset on credit	
Issued cheque for personal use	

(Total for Question 11 = 5 marks)

12 Identify, indicating with a tick (✓), whether **each** item represents capital expenditure or revenue expenditure when purchasing a motor vehicle for use in the business.

	Capital expenditure	Revenue expenditure
Cost of motor vehicle		
Delivery cost		
Extended warranty		
Fuel		
Insurance		

(Total for Question 12 = 5 marks)



- 13** Shahid maintains a provision for irrecoverable debts of 4% of trade receivables. The balance of the provision at 1 April 2023 was \$1 205

At 31 March 2024 the balance of the trade receivables ledger control account was \$28 750. This included a debt of \$450 due from a credit customer that was irrecoverable.

- (a) Prepare a journal entry to write off the irrecoverable debt. A narrative is **not** required.

(2)

Journal

Date 2024	Account	Debit \$	Credit \$
March 31			

- (b) Calculate the change in the provision for irrecoverable debts at 31 March 2024 stating clearly whether the change is an increase or decrease in the provision.

(3)

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(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS



SECTION B

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

14 Ling owns a business selling cameras. She maintains a full set of accounting records.

On 1 March 2024, the balance on Delia's account in Ling's trade receivables ledger was \$1 220

During March 2024 the following transactions took place between Ling and Delia.

March 2024	Transaction
8	Sold goods to Delia, \$460
17	Delia returned damaged goods, \$170
30	Delia settled her balance at 1 March 2024 by credit transfer after taking a cash discount of 5%

(a) Prepare the account of Delia. Balance the account at 31 March 2024 and bring the balance down on 1 April 2024.

(5)

Delia Account

Date 2024	Details	\$	Date 2024	Details	\$

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The following additional information has been extracted from Ling's books for the month of March 2024.

	\$
Trade receivables ledger balances at 1 March 2024	84 290
Cash sales	12 400
Contra / set off to trade payables ledger	810
Credit customer's cheque dishonoured	260
Credit sales	93 100
Discount allowed	4 650
Discount received	2 340
Receipts from credit customers	87 360
Returns inwards	4 020
Returns outwards	6 310



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(b) Prepare the trade receivables ledger control account for the month of March 2024. Balance the account at 31 March 2024 and bring the balance down on 1 April 2024.

(8)

Trade Receivables Ledger Control Account

Date 2024	Details	\$	Date 2024	Details	\$

(c) Explain **one** reason why a contra entry may arise.

(2)

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(Total for Question 14 = 15 marks)



15 Vaughn provided the balances at 30 April 2024.

(a) Prepare the trial balance at 30 April 2024.

(11)

Trial balance at 30 April 2024			
Account	Balance \$	Debit \$	Credit \$
Advertising	3 260		
Bank loan	18 400		
Bank overdraft	12 880		
Carriage inwards	530		
Drawings	23 400		
Equity	44 300		
General expenses	12 290		
Inventory at 1 May 2023	39 800		
Machinery – cost	55 270		
Machinery – provision for depreciation	26 130		
Mortgage	63 000		
Premises	84 000		
Purchases	133 910		
Returns inwards	820		
Revenue	223 730		
Trade payables ledger control	34 640		
Trade receivables ledger control	32 830		
Wages	36 970		
Total			

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(b) Explain to Vaughn **two** advantages of preparing a trial balance.

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(Total for Question 15 = 15 marks)

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16 Martina maintains a full set of books of original entry including a petty cash book with an imprest of \$180 which is restored on the last day of each month.

(a) (i) Explain **two** advantages to Martina of maintaining a petty cash book.

(4)

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During April 2024 the petty cashier made the following payments.

April	Voucher number	Payment	\$
1	0401	Postage stamps	42.90
5	0402	Allyar, a credit supplier	28.00
7	0403	Taxi fare	8.60
10	0404	Refreshments	12.00
15	0405	Cleaner's wages	30.00
23	0406	Employee's travel expenses	26.00
26	0407	Window cleaner	10.60

(ii) Prepare the petty cash book for the month of April 2024. Balance the petty cash book on 30 April 2024 and bring the balance down on 1 May 2024.

(11)



17 On 1 January 2023 Jean started in business with the following assets and liabilities.

	\$
Bank loan	2 500
Cash at bank	2 000
Inventory	1 890
Motor vehicle	10 000
Trade payables	600

(a) Prepare an opening journal entry for Jean at 1 January 2023.

A narrative is **not** required.

(7)

Journal

2023	Details	Debit \$	Credit \$
1 January			



On 31 December 2023 Jean identified the following errors.

- A purchase of stationery for office use, \$30, had been entered in the purchases account.
- The sales account had been undercast by \$200
- A cheque, \$300, received from J Arthur had been credited to the account of J Alfred.
- A credit sale to Jones, \$78, had been correctly entered in the sales account but debited to Jones' account as \$87

(b) Prepare journal entries to correct these errors.

Narratives are **not** required.

(8)

Journal

2023	Details	Debit \$	Credit \$
31 December			
31 December			
31 December			
31 December			

(Total for Question 17 = 15 marks)



18 Ozan provided the following information for the year ended 30 April 2024.

At 1 May 2023	\$
Motor vehicles – cost	96 000
Motor vehicles – provision for depreciation	42 250

On 1 July 2023 a motor vehicle was sold. This had been purchased on 1 January 2022 for \$28 000. The sale proceeds, \$15 000, were received by credit transfer.

On 1 November 2023 a motor vehicle was purchased for \$42 000, paid by bank transfer.

Ozan depreciates motor vehicles 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.

(a) Prepare the following accounts for the year ended 30 April 2024.

(i) Motor Vehicles – Cost Account

(4)

Date	Details	\$	Date	Details	\$



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(ii) Motor Vehicles – Provision for Depreciation Account

(4)

Date	Details	\$	Date	Details	\$

(iii) Disposal Account

(5)

Date	Details	\$	Date	Details	\$

(b) Explain, referring to an accounting concept, why it is necessary for a business to calculate the profit or loss on disposal of a non-current asset.

(2)

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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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