

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Wednesday 30 October 2024

Morning (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 Identify where the account of a credit customer is maintained.

- A General journal
- B General ledger
- C Payables ledger
- D Receivables ledger

(Total for Question 1 = 1 mark)

2 Identify when a business would issue a credit note.

- A Goods returned by a cash customer
- B Goods returned by a credit customer
- C Goods sold to a cash customer
- D Goods sold to a credit customer

(Total for Question 2 = 1 mark)

3 Identify what an opening debit balance of \$1 500 in a business bank account represents.

- A Business has an overdraft of \$1 500
- B Business has \$1 500 in the bank
- C Owner's equity is \$1 500
- D Owner's equity is \$3 000

(Total for Question 3 = 1 mark)

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4 Identify which transaction would cause a contra entry to be recorded in a three-column cash book.

- A Cash drawings made by the owner
- B Cash paid into the bank account
- C Cash used to pay business expenses
- D Cash used to restore petty cash

(Total for Question 4 = 1 mark)

5 Identify which transaction would affect a business's profit.

- A Sale of a non-current asset at book 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 5 = 1 mark)

6 Identify which method of payment applies when a business instructs its bank to make a fixed payment of \$200 to its energy provider each month.

- A Cheque
- B Credit transfer
- C Direct debit
- D Standing order

(Total for Question 6 = 1 mark)



7 Identify which item would appear in a bank reconciliation statement.

- A Bank charges
- B Direct debit
- C Standing order
- D Unpresented cheque

(Total for Question 7 = 1 mark)

8 Identify which of the following pairs of accounts would **always** have debit balances.

- A Assets and expenses
- B Equity and expenses
- C Income and assets
- D Liabilities and income

(Total for Question 8 = 1 mark)

9 Identify which accounting concept is described in the statement.

'Financial transactions of a similar nature should be recorded in the same way each year.'

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

(Total for Question 9 = 1 mark)

10 Identify which account would appear on the credit side of a trial balance.

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

(Total for Question 10 = 1 mark)



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11 (a) State the name of the book of original entry used to record: (2)

cash sales

credit sales.

(b) State the name of the document a business would send to a customer at the end of each month requesting payment. (1)

(c) State **one** reason why a business would offer its customers:

trade discount

cash discount.

(2)

(Total for Question 11 = 5 marks)



12 (a) State the accounting equation.

(1)

(b) Complete the following table.

(3)

Assets \$	Liabilities \$	Equity \$
	20 000	60 000
150 000		95 000
80 000	18 000	

(c) State the effect on the accounting equation of a business when purchasing a motor vehicle on credit.

(1)

(Total for Question 12 = 5 marks)



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13 (a) State **two** stakeholders that may be interested in the financial statements of a business. (2)

1
2

(b) State **two** benefits to a business of using a computerised accounting package. (2)

1
2

(c) State **one** characteristic of a public sector organisation. (1)

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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 (a) State **two** purposes of maintaining a petty cash book.

(2)

1

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2

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Rita maintains a full set of accounting records including a petty cash book which has a float of \$200

On 1 March 2024, the balance of the petty cash book was \$155. On that day the float was restored.

(b) State the double entry for the transaction on 1 March 2024.

(4)

Account to be debited	\$	Account to be credited	\$

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On 1 March 2024, the balance on the travel expenses account was \$80

During the month of March 2024, petty cash payments for travel totalled \$40

- (c) Prepare the travel expenses account for the month of March 2024.
Balance the account on 31 March 2024 and bring the balance down on 1 April 2024.

(3)

Travel Expenses Account

Date	Details	\$	Date	Details	\$

On 31 March 2024, the total amount of cash in the petty cash box did not match the balance of the petty cash book.

- (d) State **one** reason why this might have been the case.

(1)

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On 31 March 2024, the main cash book was balanced and showed balances of:

- cash \$360
- bank \$4 600 (Cr).

Rita checked the bank balance with that shown on her online bank account which showed a different balance.

Rita identified the following transactions which she believed may have contributed to the difference.

- A receipt, \$320 from Volter, a credit customer, had been paid directly into her bank account.
- The bank had charged her its monthly management fee of \$50
- The bank had made a regular direct debit payment for rent, \$575
- The takings from the last day of the month, \$3 200, had not been processed by the bank.
- A cheque, \$2 300, received earlier in the month from Lo Traders, had been dishonoured by the bank.

(e) Prepare the updated bank account at 31 March 2024. Balance the account on this date and bring the balance down on 1 April 2024.

(5)

Bank Account

Date	Details	\$	Date	Details	\$
Mar 31			Mar 31		

(Total for Question 14 = 15 marks)



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15 On 31 May 2024, Hassan identified the following errors.

Error	
1	An invoice from a supplier, \$215, had been entered in the purchases day book as \$251
2	Motor expenses, \$76, had been posted to the motor vehicles account.
3	No entries had been made for goods, cost \$850, taken by Hassan for his own use.
4	Sales, \$890, to Mali had been posted to the account of Marley.
5	Additional equity introduced by Hassan, \$3 500, had been debited to the equity account and credited to the bank account.

(i) State the type of error in **each** scenario.

(5)

Error	Type of error
1	
2	
3	
4	
5	



(ii) Prepare journal entries to correct **all** errors. Narratives are **not** required.

(10)

Journal

Date	Account	Debit \$	Credit \$
May 31			

(Total for Question 15 = 15 marks)

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16 Ulla maintains a full set of books of original entry and produces control accounts on a monthly basis.

On 1 April 2024, the balances on her trade receivables ledger control account were

\$9850 Dr

\$240 Cr.

(a) State **two** reasons why a business may have a credit balance on its trade receivables ledger control account.

(2)

1

2

Ulla provided the following information for the month of April 2024.

	\$
Cash sales	3 940
Discount allowed	1 895
Discount received	675
Payables ledger set off	290
Receipts from credit customers	77 180
Dishonoured cheque	1 265
Sales day book total	88 180
Sales returns book total	7 460



(b) (i) Prepare the trade receivables ledger control account for the month of April 2024. Balance the account on 30 April 2024 and bring the balance down on 1 May 2024.

(8)

Trade Receivables Ledger Control Account

Date	Details	\$	Date	Details	\$

(ii) State what the balance on the trade receivables ledger control account on 1 May 2024 represents.

(1)

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(c) Explain **one** reason why the information used to prepare the trade receivables ledger control account is obtained from the books of original entry and not the receivables ledger.

(2)

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(d) Explain **one** reason why the trade receivables ledger control account and the receivables ledger may be maintained by different members of staff.

(2)

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(Total for Question 16 = 15 marks)



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During the year ended 30 June 2024:

- Sunal purchased additional machinery, \$5 000, on credit from AC Engineering
- irrecoverable debts, \$650, were written off.

(b) Prepare journal entries to record the **two** transactions. Narratives **are** required.

(6)

Journal

Date	Account	Debit \$	Credit \$
Jun 30			
Jun 30			



(c) Advise Sunal of **two** benefits to his business of maintaining a trial balance.

(5)

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(Total for Question 17 = 15 marks)

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18 (a) State **two** causes of depreciation.

(2)

1

2

Aiden provided the following information at 1 April 2023.

Account	\$
Motor vehicles – cost	62 000
Motor Vehicles – provision for depreciation	34 515

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.

On 30 June 2023, Aiden sold a motor vehicle for \$9 650. This motor vehicle had originally been purchased on 1 April 2021 at a cost of \$18 000. There were no additions to motor vehicles during the year.

(b) Calculate the profit or loss on disposal of the motor vehicle, clearly stating whether it is a profit or a loss.

(3)

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(c) Prepare the provision for depreciation – motor vehicles account for the year ended 31 March 2024. Balance the account on this date and bring the balance down on 1 April 2024.

(5)

Provision for Depreciation – Motor Vehicles Account

Date	Details	\$	Date	Details	\$

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(d) Explain the reason why **each** concept is applied when depreciating non-current assets:

(i) accruals/matching

(3)

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(ii) prudence.

(2)

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(Total for Question 18 = 15 marks)

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

