

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

4WAC1/01R

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 in this section. 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 supplier is maintained.

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

(Total for Question 1 = 1 mark)

2 Identify where discount allowed is initially recorded.

- A Cash book
- B General journal
- C General ledger
- D Purchases journal

(Total for Question 2 = 1 mark)

3 Identify what an opening credit 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 when a cash discount is given.

- A Payment is made by cash only
- B Payment is made by cash or cheque
- C Payment is made within an agreed time period
- D Payment is made after an agreed time period

(Total for Question 4 = 1 mark)

5 Identify which transaction would be recorded in the receivables ledger.

- A Sale of a non-current asset on credit
- B Sale of goods on credit
- C Sale of a non-current asset for cash
- D Sale of goods for cash

(Total for Question 5 = 1 mark)

6 Identify which account would **always** be shown on the credit side of a trial balance.

- A Bank
- B Drawings
- C Equity
- D Petty cash

(Total for Question 6 = 1 mark)

7 Identify which statement describes the imprest system of petty cash.

- A The chief cashier has to authorise every payment of petty cash
- B The chief cashier regularly monitors the work of the petty cashier
- C The petty cashier requests money from the chief cashier as required
- D The petty cashier always starts each period with the same amount of money

(Total for Question 7 = 1 mark)



8 Identify where the total of postage costs recorded in the petty cash book is posted.

- A Credit side of the cash book
- B Credit side of the postages account
- C Debit side of the cash book
- D Debit side of the postages account

(Total for Question 8 = 1 mark)

9 Identify which accounting concept is described in the statement 'the business is treated as being completely separate from the owner of the business'.

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

(Total for Question 9 = 1 mark)

10 Identify when a provision for irrecoverable debts should be created.

- A When irrecoverable debts are written off
- B When a trader ceases trading
- C When a trader is bankrupt
- D When assessing the chances of irrecoverable debts

(Total for Question 10 = 1 mark)



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11 On 31 March 2024 Pedal Bikes sold 10 bicycles, list price \$200 each, on credit to Bike Town. All customers receive a trade discount of 10%.

On the same day the incorrect invoice below was prepared.

Pedal Bikes High Road Rugby CV21 3TY			Invoice
Bike Town Walker Way Solihull B14 4FT	No: 1123		
	Date: 1 March 2024		
Description	Quantity	Unit cost \$	Total cost \$
Bicycles	8	170	1 360
Trade discount			136
Total			1 498

Prepare the corrected invoice.

Pedal Bikes High Road Rugby CV21 3TY			Invoice
Bike Town Walker Way Solihull B14 4FT	No: 1123		
	Date:		
Description	Quantity	Unit cost \$	Total cost \$
Bicycles			
Trade discount			
Total			

(Total for Question 11 = 5 marks)



13 (a) State the name of the book of original entry used to record an irrecoverable debt written off. (1)

(b) State the double entry to record the following transactions:

(i) the writing off of an irrecoverable debt (2)

Account to be debited	Account to be credited

(ii) the creation of a provision for irrecoverable debts. (2)

Account to be debited	Account to be credited

(Total for Question 13 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS



P 8 0 2 0 4 A 0 7 2 4

SECTION B

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

14 (a) State **two** reasons why a business may offer a trade discount to customers.

(2)

1

2

Moore is a wholesaler who sells goods on a credit basis to several local retailers.

All his credit customers receive a 10% trade discount.

On 1 March 2024 the following balances were due from his credit customers.

Customer	\$
Park Stores	400
Green News	1 256
Mary's Sweets	176

During the month of March 2024, the following transactions took place.

March 2024	Transaction
3	Sold goods on credit to Park Stores, list price \$120
7	Green News returned goods, list price \$50
11	Received a cheque from Mary's Sweets in settlement of her account balance on 1 March 2024.
18	Sold goods on credit to Green News, list price \$280
28	Received a cheque from Green News in full settlement of its account.
29	Sold goods on credit to Park Stores, list price \$280
30	Received a cheque from Park Stores on account, \$500
30	The cheque received from Mary's Sweets on 11 March 2024 is returned by the bank as dishonoured.

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(b) Prepare the following ledger accounts in the books of Moore.

Balance the accounts on 31 March 2024 and bring the balances down on 1 April 2024.

(11)

Park Stores Account

Date	Details	\$	Date	Details	\$

Green News Account

Date	Details	\$	Date	Details	\$

Mary's Sweets Account

Date	Details	\$	Date	Details	\$



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Moore is considering offering cash discounts to his credit customers.

(c) State **two** benefits that this may bring to his business.

(2)

1

.....

2

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(Total for Question 14 = 15 marks)



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

(2)

1

.....

2

.....

(b) State the name of the account that is opened if a trial balance does not balance.

(1)

.....

On 31 March 2024 Harum prepared a trial balance that did not agree.

An investigation revealed the following errors.

- A cash payment for stationery, \$300, had been entered as \$30
- No entries had been made for goods, cost \$550, taken by Harum for his own use.
- The purchase of a new motor vehicle, \$10 000, had been posted to the motor expenses account.
- A credit purchase, \$85, from Son, had been credited to the account of Song.



(c) Prepare journal entries to correct **each** error.
 Narratives are required and must state the **type** of error involved.

(12)

Journal

Date	Account	Debit \$	Credit \$
31 March			

(Total for Question 15 = 15 marks)

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16 Jonas provided the following information for the month ended 31 March 2024.

	\$
Trade receivables ledger control account balances at 1 March 2024	42 500 (Dr) 850 (Cr)
Cash sales	5 479
Discounts allowed	650
Discounts received	890
Dishonoured cheques	431
Receipts from credit customers	36 500
Refunds to credit customers	250
Returns inwards day book total	2 345
Sales day book total	51 260

On 31 March 2024 one credit customer had overpaid its balance by \$1 200

- (a) Prepare a trade receivables ledger control account for the month of March 2024. Balance the account and bring the balances down to 1 April 2024.

(10)



Trade Receivables Ledger Control Account

Date	Details	\$	Date	Details	\$

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(b) Explain to Jonas **two** benefits to his business of maintaining a trade receivables ledger control account, advising him whether he should continue to do so.

(5)

Area with horizontal dotted lines for writing the answer.

(Total for Question 16 = 15 marks)



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17 Rosa maintains a three-column cash book.

On 1 April 2024 the balances were: bank \$955 overdrawn, cash \$490

The following transactions took place during April 2024.

April 2024	Transaction
2	Received a cheque from Gray, \$345
4	Paid cash into the bank, \$200
7	Received notice from the bank that the cheque from Gray, \$345, had been dishonoured.
18	Paid Carlisle by cheque in full settlement of an invoice for \$680 after taking a 5% cash discount.
22	Paid to East Electric, \$235, by standing order.
29	Paid wages by cash, \$165

- (a) Prepare the three-column cash book opposite. Balance the cash book at 30 April 2024 and bring down the balances at 1 May 2024.

(10)



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Cash Book

Date 2024	Details	Discount \$	Cash \$	Bank \$	Date 2024	Details	Discount \$	Cash \$	Bank \$



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18 (a) State which accounting concept applies when adjusting for expenses not yet paid. (1)

During the year ended 30 April 2024 Ralph paid \$3 625 for telephone charges. This included \$780 for line rental for the 13 months ending 31 May 2024 and the remainder was for calls up to 31 March 2024.

At 30 April 2024 calls, \$420, had not yet been paid.

(b) Prepare the telephone charges account for the year ended 30 April 2024. Balance the account on that date and bring down the balances on 1 May 2024. (4)

Telephone Charges Account

Date	Details	\$	Date	Details	\$



Ralph lets a property at a rental income of \$300 per month.

On 1 August 2023 he increased the rent to \$350 per month.

During the year ended 30 April 2024 Ralph received the following rental income by cheque.

Date	Period
1 May 2023	Four months ended 31 July 2023
1 August 2023	Six months ended 31 January 2024
1 February 2024	Six months ended 31 July 2024

(c) Prepare the rental income account for the year ended 30 April 2024.

Balance the account on that date and bring down the balance on 1 May 2024.

(6)

Rental Income Account

Date	Details	\$	Date	Details	\$



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(d) Define **each** of the following terms.

(4)

Other payables

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Other receivables

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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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