

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

## Pearson Edexcel International GCSE

**Monday 18 November 2024**

Morning (Time: 1 hour 15 minutes)

Paper  
reference

**4WAC2/01**

### Accounting (Modular)

Level 1/2

**UNIT 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 ►

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

- 1 Stella, a sole trader, maintains full accounting records and has provided the following information for the year ended 30 September 2024.

	<b>1 October 2023 \$</b>	<b>30 September 2024 \$</b>
Fixtures and fittings – Cost – Provision for depreciation	18 650 3 730	To be calculated
Bank overdraft	1 520	To be calculated
Inventory	13 500	18 100
Other payables – electricity	1 440	1 270
Other receivables – general expenses	350	
Trade payables	14 700	12 900

**Bank summary for the year ended 30 September 2024**

<b>Receipts</b>	<b>\$</b>	<b>Payments</b>	<b>\$</b>
Sales	203 000	Trade payables	112 000
Capital	2 000	Drawings	31 500
		Staff wages	18 380
		Electricity	4 775
		General expenses	23 140
		Motor expenses	12 970
		Fixtures and fittings	4 200

**Additional information**

- Fixtures and fittings are depreciated at 20% per annum on a reducing balance basis. There had been no disposals of fixtures and fittings during the year.
- During the year, Stella had taken goods for her own use of \$600









Stella finds maintaining full accounting records very time consuming.

(c) Recommend to Stella whether she should employ a bookkeeper.

(5)

Area with horizontal dotted lines for writing the answer.

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

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2 Haitai has been in business for a number of years manufacturing handmade chocolate.

On 1 July 2023, he formed a partnership with another chocolatier, Ming. They agreed to share profits and losses equally.

(a) State **two** reasons, **other than** an injection of capital, why a sole trader would wish to form a partnership with another trader.

(2)

1 .....

.....

2 .....

.....



The partnership provided the following information for the year ended 30 June 2024.

	\$
Carriage inwards	42 500
Direct expenses	26 950
Direct factory wages	127 500
Factory overheads	138 000
Factory supervisor's salary	45 000
Insurance paid	34 000
Inventory at 1 July 2023	
Raw materials	68 000
Work in progress	85 278
Finished goods	125 000
Inventory at 30 June 2024	
Raw materials	72 000
Work in progress	96 750
Finished goods	145 000
Non-current assets –	
– Cost	200 000
– Provision for depreciation	120 000
Office expenses	232 000
Office salaries	97 000
Purchase of raw materials	550 000
Rent and rates paid	190 000
Revenue	1 787 500

### Additional information

- Non-current assets are depreciated at 10% per annum using the reducing balance method of depreciation.
- At 30 June 2024, the amount of rent and rates paid in advance was \$2 500 and insurance owing was \$1 325
- The partners decided to allocate all costs other than office expenses and office salaries to the factory.





Following completion of the manufacturing account the partnership was made aware that some of the costs allocated in full to the manufacturing division should have been apportioned in part to the administration department.

- Insurance and rent and rates should have been apportioned 80% to the factory and 20% to administration.
  - The factory machinery accounted for 60% of all non-current assets.
  - Carriage outwards accounted for 25% of the carriage inwards charge.
- (ii) Calculate the corrected production cost after these adjustments have been made.

(5)

	\$	\$
Draft production cost		
Corrected production cost		





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