

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

General Certificate of Education
 January 2006
 Advanced Subsidiary Examination



ACCOUNTING
Unit 1 Financial Accounting:
The Accounting Information System

ACC1

Wednesday 11 January 2006 9.00 am to 10.00 am

You will need no other materials.
 You may use a calculator.

Time allowed: 1 hour

Instructions

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- Answer the questions in the spaces provided.
- All workings must be shown and clearly labelled; otherwise marks for method may be lost.
- Make and state any necessary assumptions.
- Do all rough work in this book. Cross through any work you do not want marked.

Information

- The maximum mark for this paper is 80.
 4 of these marks are for the Quality of Written Communication.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers. Some questions involve only numerical work; all other questions should be answered in continuous prose. Quality of Written Communication will be assessed in all prose answers.

For Examiner's Use			
Number	Mark	Number	Mark
1		5	
2		6	
3			
4			
Total (Column 1) →			
Total (Column 2) →			
Quality of Written Communication			
TOTAL			
Examiner's Initials			

Answer **all** questions in the spaces provided.

Total for this question: 18 marks

1

The following is the trial balance of Sandeep Singh at 31 December 2005.

	Dr £	Cr £
Fixed assets	100 000	
Stock at 1 January 2005	12 000	
Wages and salaries	24 000	
Rent and rates	8 000	
Drawings	15 000	
Capital at 1 January 2005		101 000
Purchases and sales	75 000	120 000
Discount		1 000
Carriage outwards	2 000	
Returns	10 000	5 000
Rent received		25 000
General expenses	6 000	
Debtors and creditors	30 000	20 000
Bank overdraft		10 000
	<u>282 000</u>	<u>282 000</u>

Additional information

Stock at 31 December 2005 was £15 000.

REQUIRED

Prepare trading and profit and loss accounts for the year ended 31 December 2005. Clearly identify the cost of goods sold, gross profit and net profit.

A balance sheet is **not** required.

Total for this question: 12

2

The table below shows transactions which relate to Ferndale Fish and Chip Shop.

REQUIRED

Complete the table by entering the appropriate information in the spaces provided.

An example has been given.

	Transaction	Source document	Subsidiary book	Account to be debited	Account to be credited
<i>Example</i>	Payment of travel costs to an employee	<i>Petty cash voucher</i>	<i>Petty cash book</i>	<i>Travel expenses</i>	<i>Petty cash</i>
(a)	Rent paid by cheque				
(b)	Damaged potatoes returned to Veggie Supplies Ltd				
(c)	Fish fryer purchased on credit from Chippit Ltd				

(12 marks)

12

Total for this question: 9

3

Since Janice Booth introduced a mail-order facility, her business has expanded significantly. She is concerned, however, about the possibility of non-payment by debtors. She is considering investing in computer software to help manage her sales ledger.

REQUIRED

Identify and explain **three** ways in which the management of her sales ledger would benefit from computerisation.

Benefit 1
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(3 marks)

Benefit 2
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(3 marks)

Benefit 3
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(3 marks)

9

Turn over ▶

Total for this question: 12

4

The following extracts are taken from the subsidiary books of Karen Miles for the three months ended 31 December 2005.

Sales Day Book

Date	Details	Goods £	VAT £	Total £
Oct to Dec	Total for period	42 000	7350	49 350

Purchases Day Book

Date	Details	Goods £	VAT £	Total £
Oct to Dec	Total for period	36 000	6300	42 300

Sales Returns Day Book

Date	Details	Goods £	VAT £	Total £
Oct to Dec	Total for period	1600	280	1880

Purchases Returns Day Book

Date	Details	Goods £	VAT £	Total £
Oct to Dec	Total for period	1200	210	1410

Additional information

- (1) At 1 October 2005, there was a credit balance in the VAT account of £7650.
- (2) A payment of £6950 was made in respect of VAT on 9 October 2005.
- (3) The cash book showed that for the period 1 October to 31 December 2005, there were cash sales of £16 450 which **included** VAT at 17.5%.

Total for this question: 12

5

Brian Jarvis prepared the following balance sheet at the end of the accounting year.

It contains errors.

Balance Sheet for the year ended 31 December 2005

	£	£
Fixed assets		90 000
Current assets		
Stock	8 000	
Debtors	13 000	
Cash at bank	7 000	
	28 000	
Current liabilities		
Creditors	8 000	
		36 000
		54 000
Capital		
Opening balance		82 000
Net profit for the year		50 000
		32 000
Drawings		22 000
		54 000

Additional information

- (1) Fixtures and fittings costing £3000 had been recorded as purchases and charged to the trading account for the year.
- (2) Brian had taken £1000 cash from the bank account for his own use. This had not been recorded in the accounts.
- (3) Brian found a cheque for £2500 received from a customer during December, which had been mislaid and had not been recorded.

REQUIRED

Redraft the balance sheet, correcting any errors.

Total for this question: 15

6

Kingdom Carpet Fitters received a bank statement showing the following transactions in their account during December 2005.

Bank Statement

Date	Details	Dr £	Cr £	Balance £
Dec 1	Balance			430 cr
6	Cheque to F Banks	250		180 cr
7	Cash and cheques paid in		380	560 cr
12	Standing order: British Gas	200		360 cr
18	Credit transfer from J Ball		240	600 cr
22	Cash and cheques paid in		300	900 cr
23	Cheque to H Wilton	470		430 cr
30	Bank charges	20		410 cr
30	Dishonoured cheque: B Brown	150		260 cr

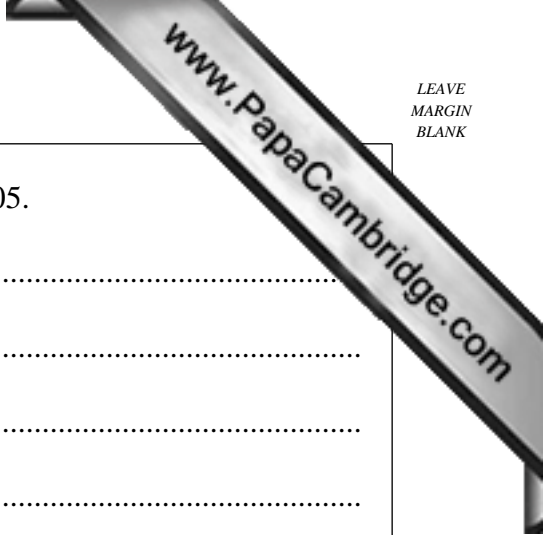
REQUIRED

- (a) Update the cash book below with the relevant items from the bank statement, and bring down the balance at the end of the month.

Cash Book (Bank columns only)

Dr			Cr		
Date	Details	£	Date	Details	£
Dec 1	Balance b/d	430	Dec 2	F Banks	250
7	Sales banked	380	18	H Wilton	470
22	Sales banked	300	29	M Wall	140
31	Sales banked	560	30	Wages	100

(5 marks)



(b) Prepare a bank reconciliation statement at 31 December 2005.

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(5 marks)

(c) Explain the term 'dishonoured cheque' shown in the bank statement.

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(3 marks)

END OF QUESTIONS

There are no questions printed on this page

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