

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			



General Certificate of Education
 June 2003
 Advanced Subsidiary Examination



ACCOUNTING **ACC1**
Unit 1 Financial Accounting:
The Accounting Information System

Wednesday 4 June 2003 Afternoon Session

No additional materials are required.
 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 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. This includes up to 4 marks for the Quality of Written Communication.
- Mark allocations are shown in brackets.
- You will be assessed on your ability to use an appropriate form and style of writing, to organise relevant information clearly and coherently, and to use specialist vocabulary, where appropriate. The degree of legibility of your handwriting and the level of accuracy of your spelling, punctuation and grammar will also be taken into account.

For Examiner's Use			
Number	Mark	Number	Mark
1			
2			
3			
4			
5			
6			
7			
Total (Column 1)	→		
Total (Column 2)	→		
Quality of Written Communication			
TOTAL			
Examiner's Initials			

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

1

Total for this question: 12 marks

The trial balance of H G Patel, as at 30 April 2003, has been partially completed. The following balances have now to be included:

	£
Purchases	38 900
Sales	98 000
Returns outwards	3 698
Carriage inwards	367
Carriage outwards	450
Discount received	2 135
Drawings	6 900

REQUIRED

- (a) Complete the trial balance. (7 marks)
- (b) Total the trial balance and enter any difference in the suspense account. (1 mark)

H G Patel: Trial Balance as at 30 April 2003

Account	Debit £	Credit £
Wages	23 890	
Administration costs	6 000	
Capital		60 000
Premises	65 000	
Motor vehicles	5 000	
Motor expenses	1 650	
Purchases		
Sales		
Returns outwards		
Carriage inwards		
Carriage outwards		
Discount received		
Drawings		
Suspense		
TOTAL		

- (c) There are many reasons for the error(s) giving rise to the suspense account.

From the following list of bookkeeping errors, tick the Yes or No box to indicate whether or not the error could be responsible for the difference in the trial balance.

An example has been given.

Error	Yes	No
<i>A balance has been entered in the wrong column of the trial balance.</i>	✓	
An error of principle has occurred.		
The sales account has been totalled incorrectly.		
An invoice has been omitted from the books.		
A cheque has been debited in the cash book as £150 but credited in the customer's account as £105.		

(4 marks)

12

TURN OVER FOR THE NEXT QUESTION

Turn over ►

2

Total for this question: 9

The sales day book of Brown's Paints shows the following totals which have to be entered into the general ledger.

Goods	£53 800
VAT	£9 415
Total	£63 215

REQUIRED

- (a) Complete the following table to show the amount to be entered in each account and whether the entry is a debit or credit.

Account	Amount £	Debit or Credit
Sales		
VAT		
Debtors' control		

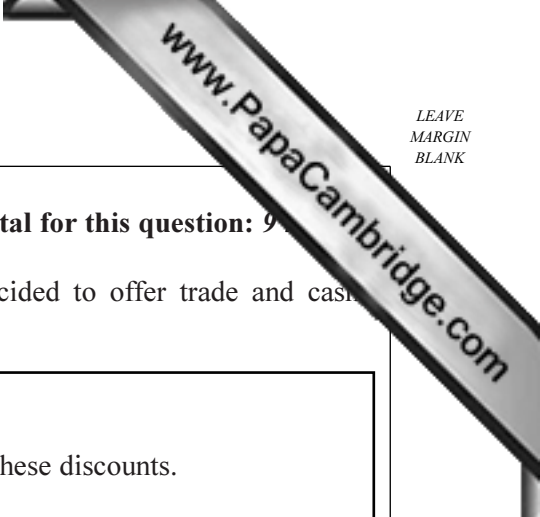
(6 marks)

- (b) Complete the following table with the name of the subsidiary book which is the source of each of the following items in a debtors' control account.

An example has been given.

Item	Subsidiary book
<i>Total credit sales</i>	<i>Sales day book</i>
Payment received from customers	
Discount allowed	
Contras (transfers) to the purchase ledger	

(3 marks)



3

Total for this question: 9

Highfield Products is seeking to attract new customers and has decided to offer trade and cash discounts.

REQUIRED

(a) Explain the circumstances under which they would give each of these discounts.

(i) Trade discounts

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(2 marks)

(ii) Cash discounts

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.....

.....

(2 marks)

They supply goods to a customer on the following terms:

Selling price	£500
Trade discount	20%
Cash discount	5%
VAT	17.5%

(b) Calculate the total of the invoice for these goods.

Invoice total: £

Workings

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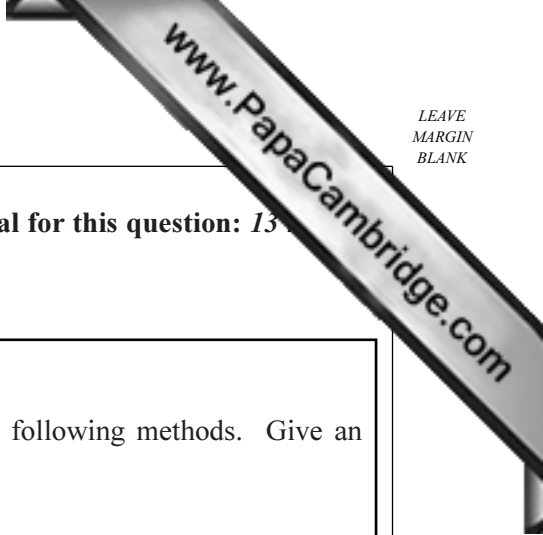
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(5 marks)

9

Turn over ▶



4

Total for this question: 13

James White uses several methods to verify his records.

REQUIRED

Write a report to Bill Bennett explaining **one** benefit of each of the following methods. Give an example of **one** error which will be revealed in **each** case.

REPORT

To:

From:

Date:

Subject:

(Report headings: 1 mark)

(a) Bank reconciliation statement

Benefit

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(3 marks)

Example

(1 mark)

(b) Sales ledger control account

Benefit

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.....

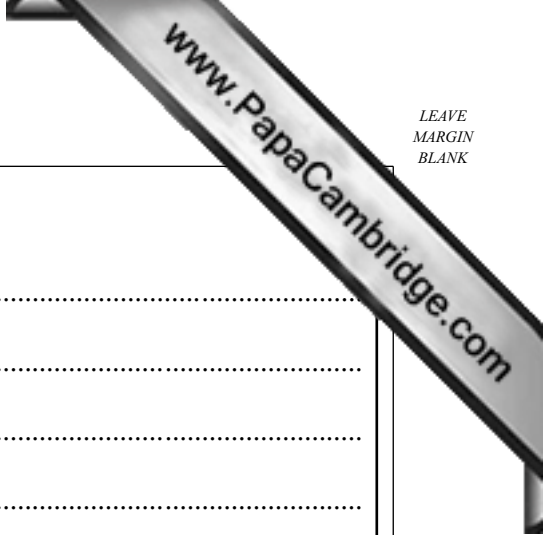
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(3 marks)

Example

(1 mark)



(c) Trial Balance

Benefit
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(3 marks)

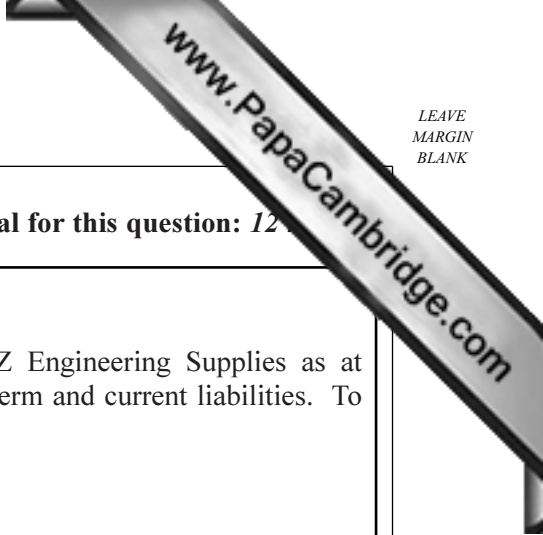
Example
.....

(1 mark)

13

TURN OVER FOR THE NEXT QUESTION

Turn over ▶



5

Total for this question: 12

REQUIRED

From the following figures complete the balance sheet for A to Z Engineering Supplies as at 31 March 2003. Clearly show the fixed and current assets and long-term and current liabilities. To complete the balance sheet calculate the proprietor's capital.

	£
Net profit for the year	23 460
Stocks at 31 March 2003	14 905
Debtors	6 500
Creditors	4 590
Premises	50 000
Motor vehicles	14 560
Bank overdraft	3 400
Petty cash	56
Drawings	13 000
Mortgage on premises	25 000

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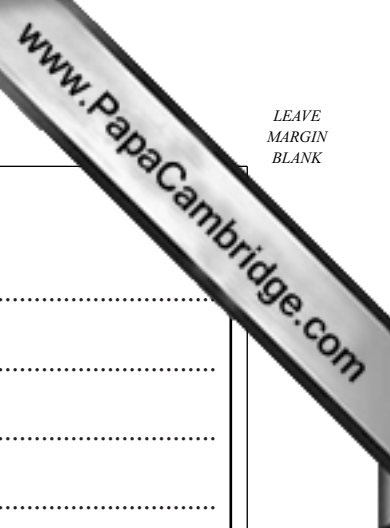
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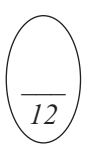
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(12 marks)



Turn over ►

6

Total for this question: 17

Barbara Smith has purchased a new computer system for her business, from JPC Computer Supplies Ltd. The computer was purchased on 1 February 2003 at a cost of £4 000 plus £665 VAT. She made full payment on 4 March 2003 and was allowed £200 trade discount.

REQUIRED

- (a) Make the necessary entries for these transactions. (Journal narratives are **not** required. Do **not** balance any accounts.)

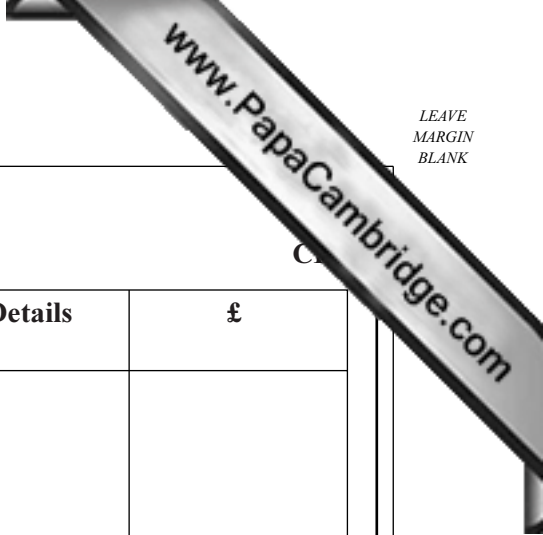
JOURNAL	DR	CR
	£	£

PURCHASE LEDGER

DR			JPC Computer Supplies Ltd			CR
Date 2003	Details	£	Date 2003	Details	£	

GENERAL LEDGER

DR			VAT Account			CR
Date 2003	Details	£	Date 2003	Details	£	



DR **Computer Account**

Date 2003	Details	£	Date 2003	Details	£

(8 marks)

- (b) Why will the purchase of a new computer system contribute to greater speed and accuracy in the bookkeeping process?

Speed

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(5 marks)

Accuracy

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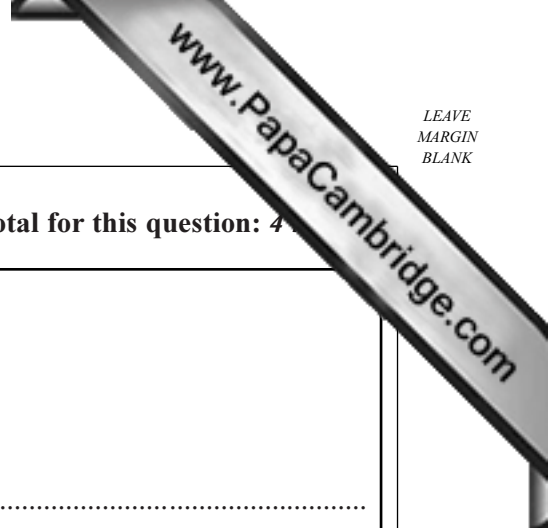
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(4 marks)

Turn over ►



7

Total for this question: 4

REQUIRED

Define **each** of the following terms.

(a) Petty cash voucher

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(1 mark)

(b) Bank charges

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(1 mark)

(c) Gross profit

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(1 mark)

(d) Net profit

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(1 mark)

4

END OF QUESTIONS