Centre Number			Candidate Number		
Surname					
Other Names					
Candidate Signature					



General Certificate of Education Advanced Subsidiary Examination June 2012

Accounting

ACCN1

Unit 1 Introduction to Financial Accounting

Tuesday 15 May 2012 9.00 am to 10.30 am

For thi	s paper	you	must	have:
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· a calculator.

Time allowed

• 1 hour 30 minutes

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- All workings must be shown and clearly labelled; otherwise marks for method may be lost.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

Four of these marks will be awarded for:

- using good English
- organising information clearly
- using specialist vocabulary where appropriate.

Examiner's Initia

Question Mark

1

2

3

4

TOTAL



Answer all questions in the spaces provided.

1

Total for this question: 12 marks

www.PapaCambridge.com Helen plans to start a business on 1 August 2012. She will introduce £10 000 capital from her personal savings and borrow a further £10 000 from the bank.

a)	Explain three reasons why it is important for Helen to keep accurate accounting records.
	1
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12

	delen's business has started trading, various stakeholders will have an interest in her all statements.	o not wr outside tl box
	delen's business has started trading, various stakeholders will have an interest in her all statements.	Toe
1 (b)	Explain what interest the following stakeholders will have in Helen's financial statements.	· C
	Helen's suppliers	
	Helen's employees	
	(6 marks)	_

Turn over for the next question



Total for this question:

www.PapaCambridge.com Depesh Parmar sells electrical goods. All sales and purchases are on credit. The following information has been extracted from the books of account.

£

Trade payables (creditors) at 1 April 2012 62 102

Trade receivables (debtors) at 1 April 2012 86 212

Cash Book

	Discount	Bank		Discount	Bank
30 April	£	£	30 April	£	£
Received from customers	519	32 194	Paid to suppliers	1 193	28 412

Purchases Day Book

2

	£
30 April Total	29 650

Sales Day Book

Returns Inwards Day Book

	£
30 April Total	2 490

Returns Outwards Day Book

Journal	Dr	Cr
Bad Debts written off	£ 204	£
J Prout Ltd		204

Additional information

- (1) Kirkton Ltd is both a customer and a supplier. A contra entry should be made to clear the balance owing to Kirkton Ltd of £681.
- (2) A cheque for £1244 received from Lothian Ltd, a credit customer, was returned unpaid by Lothian Ltd's bank. The cheque was in full settlement of an invoice for £1276.
- (3) Discount allowed of £56 was not entered in the cash book.

		ount at 30 April 2012 taking ind balance the account. Da	
	Sales Ledge	r Control Account	Cr
ils	£	Details	£
			 (11 marks)
	his sales ledger conti ne sales ledger.	rol account should be used b	y Depesh to verify the
			(2 marks)



	6
Explain two other ways in managing the business.	n which the sales ledger control account can act as an experience.
1	
2	
	(8 marks) (includes 2 marks for quality of written communication)
Extra space	
Extra space	



Turn over for the next question

DO NOT WRITE ON THIS PAGE ANSWER IN THE SPACES PROVIDED



www.PapaCambridge.com Michelle Kaufman owns a wholesale business. Michelle has started to prepare her business's income statement (profit and loss account) for the year ended 30 April 2012. The gross profit for the year is £82 510.

Michelle provides the following list of balances extracted from the books of account at 30 April 2012.

	£
Bank loan (repayable July 2013)	4 600
Bank overdraft	6 370
Capital account at 1 May 2011	54 390
Discounts allowed	1 390
Discounts received	940
Drawings	32 960
Insurance	17 520
Inventory (stock) at 30 April 2012	46 280
Motor running expenses	8 310
Motor vehicle cost	26 500
Motor vehicle provision for depreciation at 1 May 2011	14 200
Rent and rates	24 780
Trade payables (creditors)	8 280
Trade receivables (debtors)	13 550

Additional information

- (1) Insurance for the year ended 30 June 2012 has been paid. The total payment was £3960.
- (2) An invoice for rates for the six months to 30 September 2012 totalling £3420 has been received but has not yet been entered in the books of account.
- (3) On 30 April 2012, Michelle transferred £10 000 from her personal savings into the business's bank account. This transaction has not yet been entered in the books of account.
- (4) The motor vehicle is to be depreciated using the straight-line method over six years. The estimated residual value of the motor vehicle at the end of the sixth year is £5200.

www.PapaCambridge.com 9 3 (a) Complete the extract from the income statement (profit and loss account) for M Kaufman for the year ended 30 April 2012. Michelle Kaufman Extract from the income statement (profit and loss account) for the year ended 30 April 2012

(11	marks)



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	11 WANNER
	2
3 (b)	Prepare a balance sheet for Michelle Kaufman at 30 April 2012.
	(15 marks)
	(15 marks) (includes 2 marks for quality of presentation)



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26

Turn over for the next question

DO NOT WRITE ON THIS PAGE ANSWER IN THE SPACES PROVIDED



Total for this question:

4

www.PapaCambridge.com Tom Berridge owns a car repair business. Tom has prepared a trial balance at 31 March 2012. The trial balance does not balance and the difference has been placed in a suspense account.

Tom has discovered the following errors.

- General expenses of £1340 were entered correctly in the cash book but had been posted to the general ledger as £1430.
- The purchases returns day book had been undercast by £200.
- (3) A cheque for £162 paid to A Smith had been entered in the account of J Smith.
- (4) Discounts allowed of £425 had been entered to the credit of discounts received.
- The debit balance of £1110 on the carriage inwards account had been brought down as £1101.
- (6) The sales account had been overcast by £1000.
- (7) Rents received of £450 had been entered correctly in the cash book but had not been posted to the rents received account.
- 4 (a) Make any necessary entries in the suspense account to correct these errors. Clearly show the opening balance on the suspense account and balance the account.

Suspense Account

Dr			Cr
Details	£	Details	£
			(8 marks)



		15		MM. Par		
4 (b)		ne following table to identify the amount , if any, by which the profit rofit) of Tom Berridge would be affected by the correction of the errors frown opposite. Increase net profit by profit by profit by net profit				
	Details	Increase net profit by	Reduce net profit by £	No effect on net profit (✓)		
(1)	General expenses					
(2)	Purchases returns day book					
(3)	Cheque to A Smith					
(4)	Discounts allowed					
(5)	Carriage inwards					
(6)	Sales					
(7)	Rents received					

(7 marks)

	(* Mario)
4 (c)	State and explain three types of error that will not affect the balancing of the trial balance.
	Error 1
	Explanation
	Error 2
	Explanation
	Error 3
	Explanation
	(6 marks)



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END OF QUESTIONS

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