

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

Examiner's Initials	
Question	Mark
1	
2	
3	
4	
TOTAL	



General Certificate of Education
Advanced Subsidiary Examination
January 2010

Accounting

ACCN1

Unit 1 Introduction to Financial Accounting

Monday 18 January 2010 1.30 pm to 3.00 pm

You will need no other materials.
You may use 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. Answers written in margins or on blank pages will not be marked.
- 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 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.



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

Total for this question: 14 marks

1 The following is an extract from the cash book of Peter Daniels for November 2009.

REQUIRED

1 (a) Balance the following cash book extract at 30 November 2009 and post discounts to the appropriate accounts.

Dr		Cash Book				Cr	
Date	Details	Discount £	Bank £	Date	Details	Discount £	Bank £
26 Nov	Balance b/d		39	27 Nov	P Abdul	22	418
27 Nov	M Turner		248	30 Nov	M Turner – Dishonoured cheque		248
28 Nov	W Brown	8	312				

(2 marks)

Dr		Discount Allowed			Cr	
Date	Details	£	Date	Details	£	

Dr		Discount Received			Cr	
Date	Details	£	Date	Details	£	

(2 marks)



The following are extracts from the day books of Peter Daniels for November 2009.

Sales Day Book

Date	Details	Amount £
6 Nov	M Turner	248
8 Nov	W Brown	553

Purchases Day Book

Date	Details	Amount £
11 Nov	P Abdul	440

REQUIRED

- 1 (b) Post the entries from the Sales Day Book and the Purchases Day Book, **and** from the Cash Book on page 2, into the accounts below. Balance the accounts.

Dr **M Turner** **Cr**

Date	Details	£	Date	Details	£

Dr **W Brown** **Cr**

Date	Details	£	Date	Details	£

Dr **P Abdul** **Cr**

Date	Details	£	Date	Details	£

(10 marks)

14

Turn over ▶



Total for this question: 25

2

The cash book of Yasmin Bukera shows a bank overdraft of £8292 at 30 November 2009. The balance shown on the bank statement at that date does not agree with the balance shown in the cash book.

The following points are discovered.

- (1) A direct debit payment of £242 on 26 November 2009 has not yet been entered in the cash book.
- (2) A cheque payment of £1500 on 28 November 2009 for rent has been entered in the cash book but has not yet been presented to the bank.
- (3) On 30 November 2009, the bank credited the account with interest of £56. This amount has not been entered in the cash book.
- (4) A cheque received for a rates refund of £45 on 29 November 2009 has been paid into the bank and entered in the cash book. The transaction is not shown on the bank statement.
- (5) A cheque paid on 26 November 2009 appears on the bank statement as £515 but has been entered in the cash book as £551.

REQUIRED

- 2 (a) Make the necessary entries in the cash book of Yasmin Bukera and show the updated balance at 30 November 2009. Dates are **not** required.

Dr	Cash Book		Cr
Details	£	Details	£

(6 marks)



2 (b) Prepare a bank reconciliation statement for Yasmin Bukera that clearly shows the
balance on the bank statement at 30 November 2009.

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(5 marks)

2 (c) Explain why Yasmin Bukera’s bank may require a copy of her year-end financial
statements.

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(4 marks)

Turn over ►



- 2 (d) Write a memorandum to Yasmin Bukera explaining **three** reasons why it is important to prepare bank reconciliation statements.

Memorandum

To

From

Date

Subject

Reason 1

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Reason 2

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Reason 3

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(6 marks)

(for quality of written communication: plus 2 marks)

23



Turn over for the next question

**DO NOT WRITE ON THIS PAGE
ANSWER IN THE SPACES PROVIDED**

Turn over ▶



Total for this question: 22

3

Andrew Hill sells cameras. The following balances have been extracted from the books of account at 31 December 2009.

	£
Balance at bank	2 120
Capital account at 1 January 2009	20 650
Carriage inwards	2 040
Discounts allowed	710
Discounts received	1 220
Drawings	16 650
General expenses	5 860
Motor vehicle - at cost	18 600
- provision for depreciation at 1 January 2009	9 000
Purchases	49 830
Rent and rates	8 440
Returns inwards	620
Returns outwards	1 180
Sales	96 410
Stock at 1 January 2009	28 220
Telephone expenses	1 060
Trade creditors	5 690

Additional information

- (1) Stock at 31 December 2009 was valued at £22 400.
- (2) The motor vehicle is to be depreciated using the straight-line method over five years. The estimated residual value of the motor vehicle at the end of the fifth year is £3600.
- (3) Rent unpaid at 31 December 2009 amounted to £80.
- (4) Annual rates are £720. At 31 December 2009, three months have been paid in advance.

REQUIRED

3 Prepare a trading and profit and loss account for Andrew Hill for the year ended 31 December 2009, on page 9.

Workings

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Total for this question: 21

4

Patsy Burns has prepared the following balance sheet for her business. It contains errors and the totals do not agree.

Patsy Burns
Balance Sheet for the year ended 31 December 2009

	£000	£000
Fixed assets		
Premises at cost	140	
Machinery at cost	80	220
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	
Current assets		
Stock	35	
Drawings	32	
Bank overdraft	19	
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	
	86	
Current liabilities		
Trade creditors and accrued expenses	31	
Trade debtors	15	
Prepaid expenses	5	
Machinery - provision for depreciation	50	
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	
	101	
Net current assets		(15)
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
		205
Capital		
Balance at 1 January 2009		116
Mortgage on premises (repayable 2018)		55
Net profit for the year		36
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
		207

Additional information not yet recorded in the books of account

- (1) £5000 rent owed by Patsy.
- (2) A trade debtor paid £3000 on 31 December 2009.
- (3) A bad debt of £2000 is to be written off at 31 December 2009.

REQUIRED

- 4 (a) Prepare a corrected balance sheet, on page 11, taking account of the additional information.

Workings

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Areas outside
the box will
not be scanned
for marking

Handwriting practice area with 25 horizontal dotted lines.

(16 marks)
(for quality of presentation: plus 1 mark)

Turn over ►



4 (b) Explain the meaning of the following terms:

4 (b) (i) accrued expenses;

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(2 marks)

4 (b) (ii) prepaid expenses.

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(2 marks)

21

END OF QUESTIONS

