

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Wednesday 12 June 2024

Afternoon (Time: 1 hour 15 minutes)

Paper
reference

4AC1/02

International GCSE in Accounting

Level 1/2

PAPER 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 Ahmed and Malik are in partnership sharing profits and losses equally.

Their partnership agreement allows for interest on capital at 5% per annum and a partnership salary to Ahmed of \$10 000 per annum.

The partners provided the following information for the year ended 31 March 2024.

Account	\$
Capital accounts – Ahmed	50 000
– Malik	30 000
Current accounts – Ahmed	4 500
– Malik	8 600
Carriage inwards	645
Carriage outwards	1 300
Discount allowed	678
Discount received	663
Drawings – Ahmed	3 600
– Malik	2 800
Motor expenses	1 854
Motor vehicles – cost	35 000
Motor vehicles – provision for depreciation	15 000
Opening inventory	12 260
Purchase returns	3 298
Purchases	86 321
Rent, rates and insurance	9 750
Revenue	192 000
Trade payables	23 921
Trade receivables	36 000
Wages and salaries	44 448

Additional information

- Closing inventory was valued at \$14 265
- On 31 March 2024, rates, \$500, were owing and insurance, \$250, was paid in advance.
- Depreciation is charged on motor vehicles at 25% per annum using the reducing balance method.
- A provision for irrecoverable debts of 2% of trade receivables is to be created.

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(ii) Prepare the appropriation account for the year ended 31 March 2024.

(5)

Ahmed and Malik
Appropriation Account for the year ended 31 March 2024



2 On 1 January 2023, Thelma started in business by introducing cash of \$5 000 and a motor vehicle valued at \$12 000. On this day, she also took out a bank loan of \$5 000 repayable in full on 31 December 2028.

(a) (i) Calculate the equity at 1 January 2023.

(1)

Thelma did not maintain a full set of accounting records but was able to provide the following information after her first year's trading.

Balances at 31 December 2023	\$
Bank overdraft	2 198
Cash in hand	890
Inventory	14 568
Other receivables	200
Other payables	567
Trade receivables	2 167
Trade payables	2 325

During the year ended 31 December 2023:

- Thelma purchased an additional motor vehicle costing \$10 000 that she funded from her own monies.
- All motor vehicles were depreciated by 20% per annum using the straight line method.
- A further bank loan, \$3 000, was taken out. This was to be repaid in full on 30 June 2024.
- Thelma withdrew cash, \$4 000, and goods costing \$800



(ii) Prepare the statement of financial position at 31 December 2023.

(15)

Thelma
Statement of financial position at 31 December 2023

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(b) Discuss **two** reasons why a business should maintain full accounting records.

(4)

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