

Please write clearly in	block capitals.	
Centre number	Candidate number	
Surname		
Forename(s)		
Candidate signature		)

# AS ACCOUNTING

Unit 1 Introduction to Financial Accounting

Tuesday 17 May 2016 Afternoon Time allowed: 1 hour 30 minutes

#### **Materials**

For this paper you must have:

A calculator

#### 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.



# Answer all questions in the spaces provided.

2

## Total for this question: 14 marks

The following information has been extracted from the books of account of Tanya Marsh at 30 April 2016.

	£
Bank overdraft	2 275
Bank loan repayable February 2017	10 000
Carriage outwards	6 550
Discounts allowed	1 250
Discounts received	5 600
Drawings	15 000
Inventories at 1 May 2015	11 500
Motor vehicle expenses	12 500
Premises	23 500
Purchases	44 500
Rent (expense) and rates	35 405
Returns inwards	2 800
Returns outwards	1 200
Revenue	120 000
Trade payables	45 200
Trade receivables	25 652

## **Additional information**

1

- (1) Inventories at 30 April 2016 were valued at £20 540.
- (2) The carriage outwards account included £1400 which related to carriage inwards.
- (3) An annual rates invoice of £2400 for the year ending 31 July 2016 remained unpaid.
- (4) Rent (expense) totalling £1530 had been paid in advance for the month of May 2016.
- (5) Motor vehicle expenses included £300 which related to private insurance of Tanya's son's car.
- (6) The motor vehicle expense account had been understated by £35.



1	(a)	Prepare an <b>extract</b> from an income statement for Tanya Marsh to show the gross profit for the year ended 30 April 2016.
		[8 marks]
		[includes 2 marks for quality of presentation]
		Extra space



1	(b)	Tick <b>one</b> box below to show the total amount of the rent and rates expense to be charged to the income statement for the year ended 30 April 2016. Tick <b>one</b> box only. <b>[1 mark]</b>

£	>
34 475	
35 135	
35 675	
36 275	

1 (c) Tick **one** box below to show the total amount of the motor vehicle expenses to be charged to the income statement for the year ended 30 April 2016. Tick **one** box only.

[1 mark]

<b>&gt;</b>



1	(d)	Prepare an extract from the balance sheet for Tanya Marsh to show the culiabilities section at 30 April 2016.	rrent [4 marks]
		Balance sheet (extract) for Tanya Marsh at 30 April 2016	
		Current liabilities	

Turn over for the next question



# Total for this question: 21 marks

The following information has been extracted from the books of account of Samuel Cole at 30 April 2016.

6

	£
Cash purchases	7 885
Cash sales	220 656
Debit balances in the sales ledger offset against purchases ledger balances	6 549
Discounts allowed	2 450
Discounts received	3 252
Dishonoured cheques received from customers	452
Payments to trade payables	654 211
Purchases day book total	698 542
Purchases ledger credit balances 31 March 2016	78 978
Purchases ledger debit balances 30 April 2016	1 212
Receipts from trade receivables	568 965
Returns inwards	1 223
Returns outwards	2 126
Sales day book total	556 524
Sales ledger debit balances 31 March 2016	98 756

# 2 (a) Prepare a sales ledger control account for Samuel Cole for the month of April 2016. [6 marks]

# [6 mark

Sales ledger control account

Details	£	Details	£



Dr

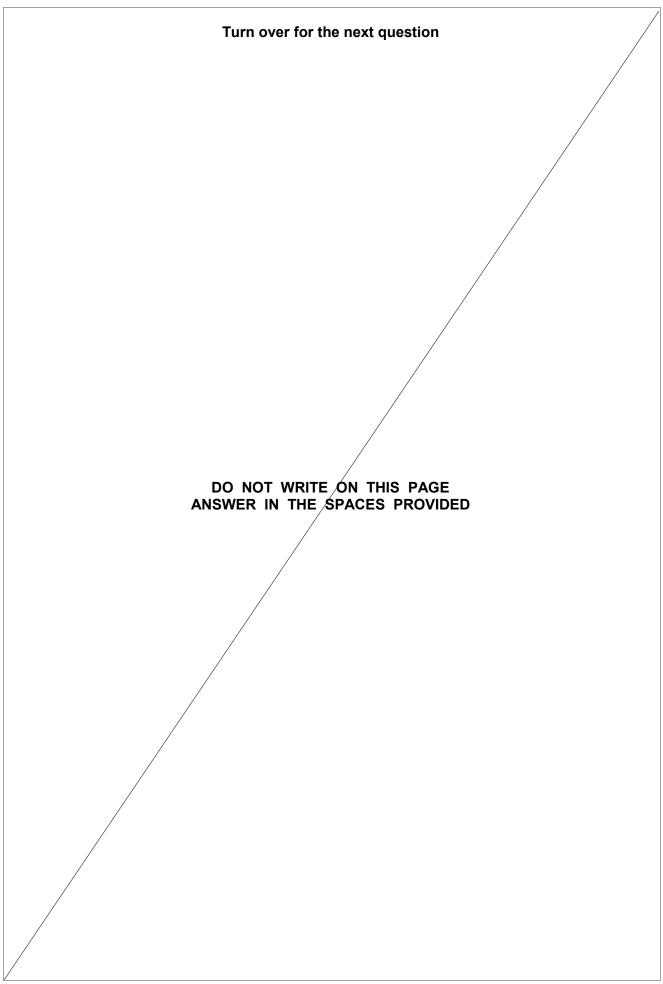
Cr

2 (b)	Prepare a purchases ledger control account for Samuel Cole for the mon April 2016.			e month of
	·			[7 marks]
Dr	Pu	urchases ledger co	ontrol account	Cr
	Details	£	Details	£
				<u> </u>
	1			
	,			
	2			



Extra space			
Extra space			
	Extra space		







# Total for this question: 24 marks

Paul Elliot has been trading for two years. He had the following opening balances at 1 April 2016.

£

Sales 13 560 Sales returns 1 320

Trade receivables:

T Peace 3 570 Jo Aston 7 780

The following has been extracted from the books of original entry of Paul Elliot for the month of April 2016.

#### Sales day book

# Date Details Amount £ 1 April T Peace 3 555 19 April Jo Aston 14 620

#### Sales returns day book

Date	Details	Amount £
14 April	T Peace	400
20 April	Jo Aston	320

Dr Cash Book Cr

Date	Details	Discount £	Bank £	Date	Details	Discount £	Bank £
1 April	Balance b/d		1 200				
15 April	T Peace	70	1 600	16 April	Ben Jack	110	1 100
29 April	Jo Aston	807	5 263	29 April	T Peace		1 600

#### Additional information:

- (1) On 22 April Paul Elliot agreed to offset £6550 of the purchases ledger account balance of Jo Aston against her sales ledger balance.
- (2) On 29 April Paul Elliot was notified that the cheque received on 15 April from T Peace had been dishonoured by her bank.
- (3) On 30 April Paul Elliot was notified of the bankruptcy of T Peace. The total balance outstanding on her account has to be written off.



**3** (a) Post all of the necessary entries from the relevant information above into the ledger accounts and balance each of the accounts at 30 April 2016.

[21 marks]

Dr Trade receivable: T Peace account Cr

Date	Details	Amount £	Date	Details	Amount £

Dr Trade receivable: Jo Aston account Cr

Date	Details	Amount £	Date	Details	Amount £

Question 3(a) continues on the next page.



Dr		Sales a	ccount		Cr
Date	Details	Amount £	Date	Details	Amount £

Dr Sales returns account Cr

Date	Details	Amount £	Date	Details	Amount £

**3 (b)** Prepare entries in the general journal, where appropriate, from the information on **page 10**. Narratives are not required.

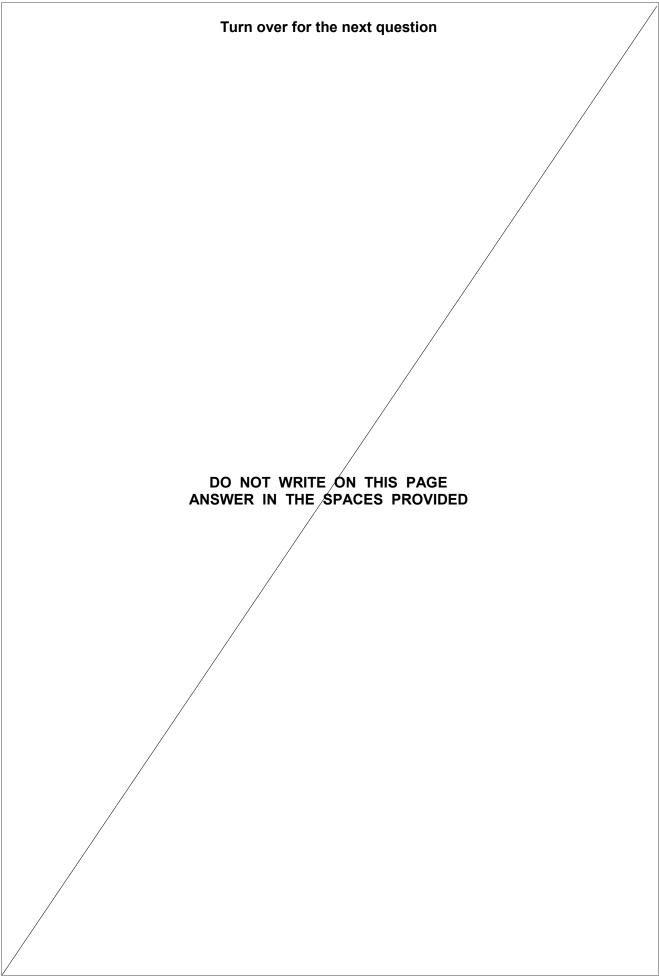
[3 marks]

## **General Journal**

Details	Debit £	Credit £



24





## Total for this question: 21 marks

Zeeshan is a kitchen cabinet maker. He has recently noticed that the bank balance in his cash book does not equal the same figure as his bank statement balance.

The following is an extract from the cash book of Zeeshan.

Dr Cr

Date	Details	£	Date	Details	£
29 April	Wendy's Wardrobes	5 500	1 April	Balance b/d	1 910
30 April	Balance c/d	32	10 April	Hewisons (cheque 123)	202
			14 April	T Morgan (cheque 124)	660
			15 April	Decia's Dusters (cheque 125)	2 105
			16 April	K Evans (cheque 126)	655
		5 532			5 532
			1 May	Balance b/d	32

#### Zeeshan's Bank Statement extract

4

Date	Details	Dr £	Cr £	Balance £
10 April	Balance			1 910DR
11 April	Cheque number 123	220		2 130DR
16 April	Rent received BGC		6 500	4 370CR
18 April	Cheque number 126	655		3 715CR
22 April	Gas board DD	2 123		1 592CR
26 April	Cheque returned		110	1 702CR
28 April	Cheque number 124	660		1 042CR

#### **Additional information**

- (1) Zeeshan had contacted the bank regarding cheque number 123 for £202 and the bank manager had acknowledged the bank's mistake and apologised.
- (2) On 30 April, Zeeshan found a cheque in the till received in the previous week from Douglas Ltd for £450 that had been completely omitted from the books. The cheque had not been banked.



	balance at 1 May	·	, ,	[5 marks]			
1 (a)  Dr		Cash Book					
	Details	£	Details	£			
			Balance b/d	32			
Dr							
4 (b)	Prepare Zeeshan	's bank reconci	iliation statement at 30 April 2016.	[6 marks]			
	-						
	-						



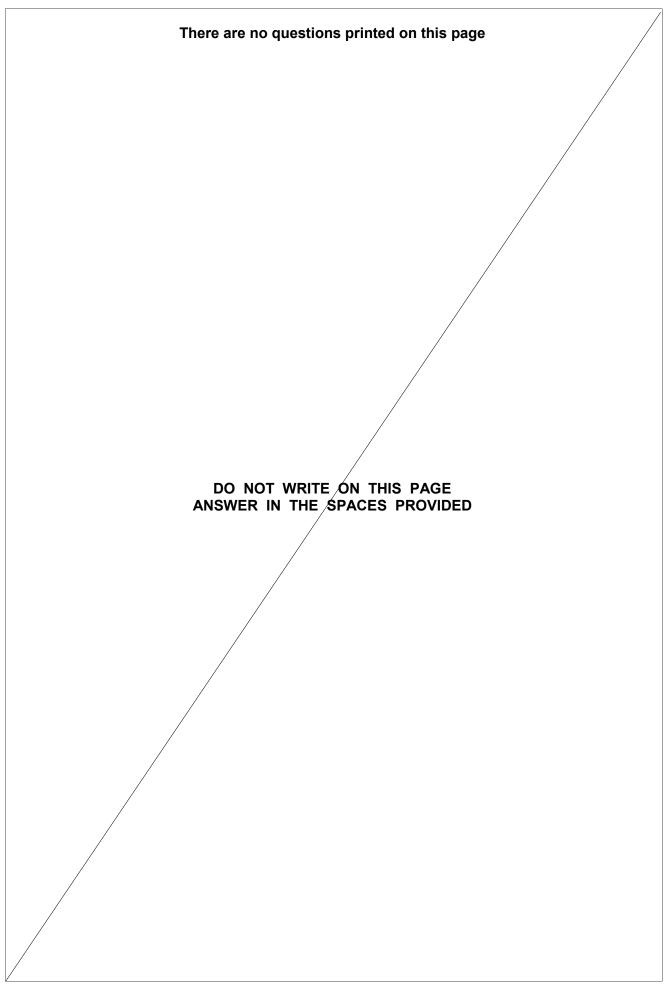
7	eeshan (	does not understand why it is important to prepare a bank reconciliation statement.
		The second secon
Zeeshan d	Explain to Zeeshan <b>three</b> benefits to his business of preparing this bank reconciliation statement.	
		[6 marks]
	-	



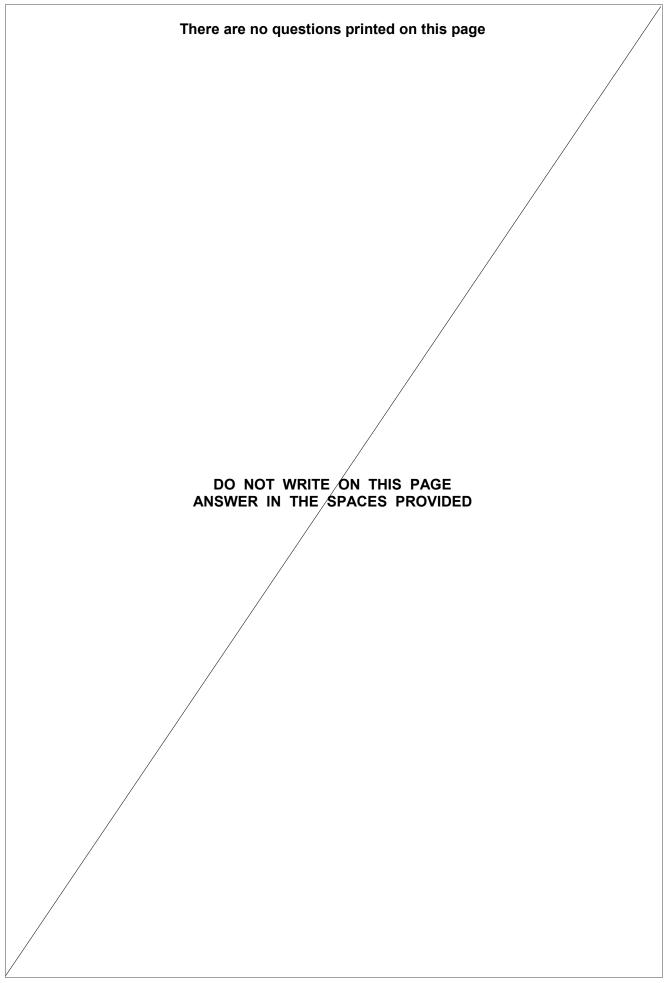
	Extra space	
Zeeshan furniture t	has applied for a £25 000 bank loan to enable his firm to supply a large quantity of o one customer. His bank manager has asked to see Zeeshan's financial statements.	
	<u> </u>	
l (d)	Explain to Zeeshan why the bank manager may have an interest in his	
+ (u)	financial statements.  [4 marks]	
	END OF QUESTIONS	



Turn over ▶











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