

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

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General Certificate of Education
 June 2004
 Advanced Subsidiary Examination



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

Thursday 10 June 2004 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			
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: 17 marks

Country Fair Stalls has partly completed its petty cash book, as shown on page 3, for the week ended 8 May 2004.

REQUIRED

- (a) Complete the entries for the week by recording the following items.

May 4 Voucher number 003 Petrol £16.49 including VAT at 17.5%

May 6 Voucher number 004 Window cleaning £15.00 no VAT

May 7 Voucher number 005 Envelopes £16.00, VAT at 17.5% to be added

May 7 Voucher number 006 Parcel post £10.00 no VAT

(10 marks)

- (b) Total the petty cash book, carry down the balance and restore the imprest. *(3 marks)*

- (c) In which section (subheading) of the balance sheet would the closing balance of petty cash appear?

.....
(1 mark)

- (d) How could the closing balance of petty cash be checked?

.....
.....
.....
(3 marks)

Country Fair Stalls' Petty Cash Book

Dr

Cr

Received	Date	Details	Total		VAT		Stationery		Postage		Motor Expenses		Cleaning	
			£	p	£	p	£	p	£	p	£	p	£	p
100 00	2004 May 1	Cash Float (Balance brought down)												
	May 2	Petrol 001	20	43	3	04					17	39		
	May 3	Postage 002	5	45					5	45				

Turn over ►

2

Total for this question: 12 marks

On 30 April 2004 the following figures were extracted from the ledgers of Country Crafts.

	£
Bank loan (repayable 2010)	20 000
Bank overdraft	3 900
Buildings	85 000
Capital at 1 May 2003	113 160
Creditors	4 700
Debtors	6 900
Drawings	16 250
Net profit for the year	6 940
Plant and machinery	22 500
Stock at 30 April 2004	7 850
Vehicles	10 200

3

Total for this question: 9 marks

On 30 April 2004 the owner of China Products prepared a trial balance. The trial balance totals did not agree. A suspense account was opened.

The following errors have been discovered.

- (1) The sales account had been overcast by £200.
- (2) A purchase invoice for £500 had been entered in both the supplier's account and the purchases account as £50.
- (3) Rent paid of £650 had been correctly entered in the cash book, but had been entered in the rent account as £400.

REQUIRED

- (a) Make appropriate entries in the suspense account. Show the opening balance.

Suspense Account

Dr

Cr

Date 2004	Details	£	Date 2004	Details	£

(3 marks)

- (b) Give an example of an error of commission. Explain why it will not be revealed by a trial balance.

Example:

.....

(2 marks)

Explanation:

.....

.....

(3 marks)

- (c) Which account should you prepare to discover if there are errors in the debtors' accounts?

.....

(1 mark)

9

4

Total for this question: 18 marks

James Baker has received a bank statement for his business and is preparing a bank reconciliation statement.

REQUIRED

(a) Why are bank reconciliation statements prepared?

.....
.....
.....
.....

(3 marks)

(b) The bank statement includes the following entries. Explain the meaning of each of them. Identify the ledger entries James Baker will have to make.

Standing order paid to Perfect Insurance Co £200

Explanation:
.....
.....

(3 marks)

Debit:
(1 mark)

Credit:
(1 mark)

QUESTION 4 CONTINUES ON THE NEXT PAGE

Turn over ►

Credit transfer from The Magnificent Garden Centre £700.47

Explanation:
.....
.....
(3 marks)

Debit:
(1 mark)

Credit:
(1 mark)

Bank charges £43.27

Explanation:
.....
.....
(3 marks)

Debit:
(1 mark)

Credit:
(1 mark)

6

Total for this question: 9 marks

The table below shows transactions which relate to the Green Fingers Garden Centre.

REQUIRED

Complete the table below to show which subsidiary book will be used. Identify the accounts which will be debited and credited.

An example has been given.

Item	Subsidiary Book	Account to be debited	Account to be credited
<i>Cash purchases for resale</i>	<i>Cash book</i>	<i>Purchases</i>	<i>Cash</i>
Sales on credit to B. Wallflower			
Cheque paid to Plants plc to settle their account			
Cash discount taken when paying Plants plc by cheque			

(9 marks)

9

END OF QUESTIONS

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