

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
4	
TOTAL	



General Certificate of Education
Advanced Subsidiary Examination
June 2009

Accounting

ACCN1

Unit 1 Introduction to Financial Accounting

Tuesday 2 June 2009 9.00 am to 10.30 am

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.



J U N O 9 A C C N 1 0 1

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

Total for this question: 12 marks

1

Paul Frazer is starting a business selling computer games.

REQUIRED

1 (a) Explain **three** reasons for keeping accounting records.

Reason 1

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(2 marks)

Reason 2

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(2 marks)

Reason 3

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(2 marks)



1 (b) Explain the following accounting terms.

Accrued expenses

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(2 marks)

Prepaid expenses

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(2 marks)

Depreciation

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(2 marks)

12

Turn over for the next question

Turn over ►



Total for this question: 17 marks**2**

Joshua Rose prepared a trial balance at 31 May 2009. The trial balance totals are shown below.

Debit	£748 512	Credit	£748 113
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He entered the difference in a suspense account and then discovered the following errors.

- (1) The discount received account has been undercast by £200.
- (2) A cheque payment of £95 for general expenses has been recorded as £59 in the general expenses account.
- (3) Discount allowed of £65 has been correctly entered in the cash book but has not been posted to the general ledger.
- (4) A cheque payment of £325 for motor repairs has been posted to the debit of the plant and machinery account.
- (5) A cheque for £350 for rent received has been posted to the debit of the rent received account.
- (6) Drawings of £200 has been posted to the credit of the wages account.



REQUIRED

- 2 (a) Enter the difference in the trial balance totals in the suspense account below. Make any necessary entries in the suspense account to correct the errors.

Dr	Suspense Account		Cr
Details	£	Details	£

(10 marks)

- 2 (b) Complete the following table to identify the **amount**, if any, by which the net profit of Joshua Rose would be affected by the **correction** of the errors on page 4.

Error	Increase net profit £	Reduce net profit £	No effect on net profit (✓)
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

*(7 marks)***Turn over ▶**

Use this information when answering Question 3(a).

Abdul Miraz owns a packaging business. Abdul has prepared a trading account for the year ended 30 April 2009.

He provides the following information.

	£
Sales	194 120
Gross profit	76 510

Other balances extracted from the books of account at 30 April 2009:

	£
Bank loan (repayable December 2009)	4 100
Bank overdraft	12 630
Capital at 1 May 2008	71 500
Discounts allowed	310
Drawings	16 180
General expenses	12 420
Mortgage on premises (repayable 2015)	37 500
Motor expenses	18 730
Motor vehicles – cost	16 400
– provision for depreciation	3 280
Premises – cost	95 000
Rent and rates	24 700
Stock at 30 April 2009	24 850
Trade creditors	11 860
Trade debtors	8 790

Additional information

- (1) A cheque for £2000 for drawings has not yet been recorded in the books of account.
- (2) Rent paid in advance at 30 April 2009 amounted to £1340.
- (3) General expenses of £400 remain unpaid at 30 April 2009.
- (4) Motor vehicles are to be depreciated at 20% per annum using the straight-line method.

Turn over ►



Use this information when answering Question 3(b).

This is the **same** information as on page 7 but it has been reprinted here for your convenience.

Abdul Miraz owns a packaging business. Abdul has prepared a trading account for the year ended 30 April 2009.

He provides the following information.

	£
Sales	194 120
Gross profit	76 510

Other balances extracted from the books of account at 30 April 2009:

	£
Bank loan (repayable December 2009)	4 100
Bank overdraft	12 630
Capital at 1 May 2008	71 500
Discounts allowed	310
Drawings	16 180
General expenses	12 420
Mortgage on premises (repayable 2015)	37 500
Motor expenses	18 730
Motor vehicles – cost	16 400
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Additional information

- (1) A cheque for £2000 for drawings has not yet been recorded in the books of account.
- (2) Rent paid in advance at 30 April 2009 amounted to £1340.
- (3) General expenses of £400 remain unpaid at 30 April 2009.
- (4) Motor vehicles are to be depreciated at 20% per annum using the straight-line method.



REQUIRED

- 3 (b) Prepare a balance sheet for Abdul Miraz at 30 April 2009.

**Abdul Miraz
Balance Sheet at 30 April 2009**

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



Total for this question: 17 marks

4

The following information has been extracted from the books of account of James Shea for the month of May 2009.

	£
Sales ledger debit balances at 1 May 2009	33 459
Sales day book total	48 144
Sales returns day book total	1 635
Cheques received from credit customers	42 912
Cash sales	17 880
Discounts allowed	992
Discounts received	1 136
Debit balance in a sales ledger account offset against a credit balance in a purchases ledger account	214
Dishonoured cheque	169



4 (c) Explain **two** types of error that would **not** be identified by preparing a sales ledger control account.

Error 1

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(2 marks)

Error 2

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(2 marks)
(for quality of written communication: plus 2 marks)

17

END OF QUESTIONS

