

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 2012

# Accounting

# ACCN1

## Unit 1 Introduction to Financial Accounting

Tuesday 15 May 2012 9.00 am to 10.30 am

For this paper you must have:

- 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. 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.



J U N 1 2 A C C N 1 0 1

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

**1**

**Total for this question: 12 marks**

Helen plans to start a business on 1 August 2012. She will introduce £10 000 capital from her personal savings and borrow a further £10 000 from the bank.

**1 (a)** Explain **three** reasons why it is important for Helen to keep accurate accounting records.

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*(6 marks)*

*Extra space* .....

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Once Helen’s business has started trading, various stakeholders will have an interest in her financial statements.

**1 (b)** Explain what interest the following stakeholders will have in Helen’s financial statements.

Helen’s suppliers .....

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Helen’s employees .....

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(6 marks)

12

**Turn over for the next question**

**Turn over ►**



2

Total for this question: 21 marks

Depesh Parmar sells electrical goods. All sales and purchases are on credit. The following information has been extracted from the books of account.

	£
Trade payables (creditors) at 1 April 2012	62 102
Trade receivables (debtors) at 1 April 2012	86 212

#### Cash Book

	Discount	Bank		Discount	Bank
	£	£		£	£
30 April Received from customers	519	32 194	30 April Paid to suppliers	1 193	28 412

#### Purchases Day Book

30 April Total	£ <u>29 650</u>
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#### Sales Day Book

30 April Total	£ <u>38 213</u>
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#### Returns Inwards Day Book

30 April Total	£ <u>2 490</u>
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#### Returns Outwards Day Book

30 April Total	£ <u>1 642</u>
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#### Journal

	Dr	Cr
	£	£
Bad Debts written off J Prout Ltd	204	204

#### Additional information

- (1) Kirkton Ltd is both a customer and a supplier. A contra entry should be made to clear the balance owing to Kirkton Ltd of £681.
- (2) A cheque for £1244 received from Lothian Ltd, a credit customer, was returned unpaid by Lothian Ltd's bank. The cheque was in full settlement of an invoice for £1276.
- (3) Discount allowed of £56 was not entered in the cash book.





**2 (c)** Explain **two** other ways in which the sales ledger control account can act as an aid to managing the business.

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*(8 marks)*  
*(includes 2 marks for quality of written communication)*

*Extra space* .....

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ANSWER IN THE SPACES PROVIDED**

**Turn over ►**



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3

**Total for this question: 26 marks**

Michelle Kaufman owns a wholesale business. Michelle has started to prepare her business's income statement (profit and loss account) for the year ended 30 April 2012. The gross profit for the year is £82 510.

Michelle provides the following list of balances extracted from the books of account at 30 April 2012.

	£
Bank loan (repayable July 2013)	4 600
Bank overdraft	6 370
Capital account at 1 May 2011	54 390
Discounts allowed	1 390
Discounts received	940
Drawings	32 960
Insurance	17 520
Inventory (stock) at 30 April 2012	46 280
Motor running expenses	8 310
Motor vehicle cost	26 500
Motor vehicle provision for depreciation at 1 May 2011	14 200
Rent and rates	24 780
Trade payables (creditors)	8 280
Trade receivables (debtors)	13 550

### Additional information

- (1) Insurance for the year ended 30 June 2012 has been paid. The total payment was £3960.
- (2) An invoice for rates for the six months to 30 September 2012 totalling £3420 has been received but has not yet been entered in the books of account.
- (3) On 30 April 2012, Michelle transferred £10 000 from her personal savings into the business's bank account. This transaction has not yet been entered in the books of account.
- (4) The motor vehicle is to be depreciated using the straight-line method over six years. The estimated residual value of the motor vehicle at the end of the sixth year is £5200.













**Turn over for the next question**

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

**Turn over ►**





**4 (b)** Complete the following table to identify the **amount**, if any, by which the profit for the year (net profit) of Tom Berridge would be affected by the correction of the errors (1) to (7) shown opposite.

Details	Increase net profit by £	Reduce net profit by £	No effect on net profit (✓)
(1) General expenses			
(2) Purchases returns day book			
(3) Cheque to A Smith			
(4) Discounts allowed			
(5) Carriage inwards			
(6) Sales			
(7) Rents received			

(7 marks)

**4 (c)** State and explain **three** types of error that will not affect the balancing of the trial balance.

Error 1 .....

Explanation .....

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Error 2 .....

Explanation .....

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Error 3 .....

Explanation .....

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(6 marks)

Turn over ►



*Extra space* .....

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21

**END OF QUESTIONS**

