Centre Number			Candidate Number		
Surname					
Other Names					
Candidate Signature					

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General Certificate of Education Advanced Subsidiary Examination June 2013

Accounting

ACCN1

Unit 1 Introduction to Financial Accounting

Tuesday 14 May 2013 9.00 am to 10.30 am

For this	paper	you	must	have:
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a calculator.

Time allowed

• 1 hour 30 minutes

Instructions

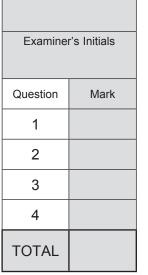
- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- All workings must be shown and clearly labelled; otherwise marks for 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.



For Examiner's Use

Answer all questions in the spaces provided.

1 Total for this question: 25 marks

Julie Waites sells jewellery. The following are two recent transactions.

- 1 Goods for resale of £230 were returned to a credit supplier.
- 2 A cheque for £200 was drawn for cash.
- 1 (a) Identify the source document and the subsidiary book used for each of the above **two** transactions.

Transaction	Source document	Subsidiary book
1		
2		

(4 marks)

1 (b) Identify the account to be debited and the account to be credited to record each of the above **two** transactions.

Transaction	Account to be debited	Account to be credited
1		
2		

(2 marks)



1 (c)	Explain how Julie Waites' accounting records and financial statements would be affected if the goods returned to a supplier in Transaction 1 had been incorrectly entered as £320 in the subsidiary book.
	(10 marks) (includes 2 marks for quality of written communication)
	Extra space





The following transactions took place during the month of March 2013, between Julie Waites and Bond Supply, a supplier.

Date	Details	£
1 March 2013	Balance brought forward	4 290
5 March 2013	Purchased goods on credit from Bond Supply	1 226
8 March 2013	Returned goods to Bond Supply	164
15 March 2013	Cheque paid to Bond Supply after receiving discount of £148	2 820
22 March 2013	Julie's bank returned cheque unpaid	2 820

1 (d) Complete the purchases ledger account of Bond Supply in the books of Julie Waites. Balance the account at 31 March 2013.

Dr Bond Supply Account

Cr

			7100001110		
Date	Details	£	Date	Details	£

/Q	ma	rke
19	ma	IKS

25

Turn over for the next question



Total for this question: 12 marks

Alex Barton has received the following bank statement for his business account at 8 May 2013.

Bank Statement

Date	Details	Dr	Cr	Balance	•
1 May	Balance brought forward			729.12	Dr
2 May	Cheque 483621	109.50		838.62	Dr
3 May	Credit		106.42	732.20	Dr
3 May	Credit transfer – Tyson Ltd		260.00	472.20	Dr
4 May	Cheque 483626	873.22		1 345.42	Dr
4 May	Bank charges	36.10		1 381.52	Dr
4 May	Cheque 483624	72.36		1 453.88	Dr
4 May	Direct debit – ECL Ltd	44.90		1 498.78	Dr
6 May	Unpaid cheque	106.42		1 605.20	Dr
6 May	Credit		326.59	1 278.61	Dr
6 May	Credit		69.42	1 209.19	Dr
7 May	Standing order – Ward Ltd	85.70		1 294.89	Dr
7 May	Cheque 483628	13.25		1 308.14	Dr
8 May	Cheque 483627	565.00		1 873.14	Dr
8 May	Balance carried forward			1 873.14	Dr

Additional information

2

(1) The following cheques had been entered in Alex Barton's cash book in April, but were unpresented at 1 May 2013. These unpresented cheques account for the difference in the balance of the bank statement and cash book at 1 May 2013.

	£
483619	46.13
483621	109.50
483624	72.36
483625	14.75

(2) The amount of cheque 483628 had been incorrectly entered in the cash book.



2 (a) Update and balance the cash book below at 8 May 2013.

Date	Details	£	Date	Details	£
1 May	Bromley	106.42	1 May	Balance B/D	971.86
4 May	Kerry	326.59	1 May	483626 Clarke	873.22
4 May	Donaldson	69.42	3 May	483627 Ball	565.00
7 May	CP Logic	292.25	3 May	483628 Hawley	12.35

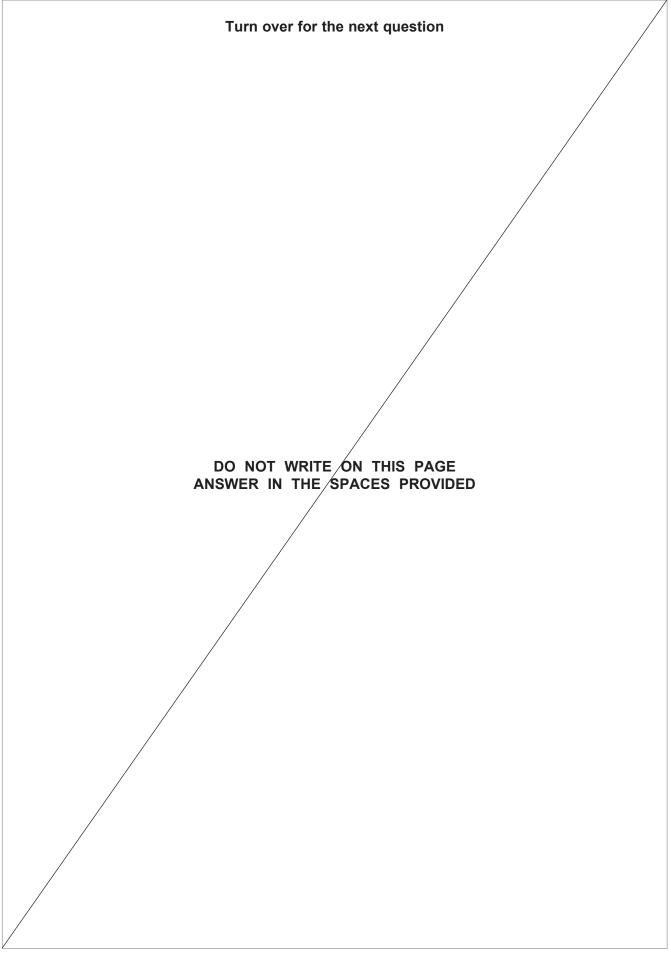
(7 marks)

Question 2 continues on the next page



Prepare a bank reconciliation statement at 8 May 2013.
Alex Barton Bank reconciliation statement at 8 May 2013
(5 ma
Extra space







Total for this question: 33 marks

Sam Brady sells sports equipment. The following balances have been extracted from his books of account at 31 March 2013.

	£
Bad debts written off	100
Bank loan	2 450
Bank overdraft	1 860
Capital	11 060
Carriage outwards	390
Discounts received	540
Drawings	29 930
General expenses	5 260
Inventory at 1 April 2012	26 100
Motor expenses	4 310
Equipment – Cost at 1 April 2012	18 200
Equipment – Provision for depreciation at 1 April 2012	7 280
Purchases	119 130
Rent and rates	28 900
Returns inwards	340
Revenue	234 520
Trade payables	26 780
Trade receivables	8 940
Wages and salaries	42 890

Additional information

3

- (1) Inventory at 31 March 2013 was valued at £24 600.
- (2) An item of equipment purchased on 1 April 2012 for £1200 has been incorrectly included in general expenses.
- (3) Equipment is to be depreciated over 10 years using the straight-line method. The estimated residual value of all the equipment is £400.
- (4) The annual rent payable on the business premises is £19 920. Two months have been paid in advance at 31 March 2013.
- (5) Rates of £3240 have been paid for the six months ending 31 July 2013.
- (6) A bad debt of £580 is to be written off at 31 March 2013.
- (7) One half of the bank loan is repayable in the year ending 31 March 2014. The remainder is due for repayment after that date.
- (8) Sam introduced £2000 into the business bank account from his personal savings on 31 March 2013. This has not yet been entered in the records.
- (9) A cheque for £410 received from a credit customer has not yet been entered in the books of account.



3 (a)	Prepare an income statement for Sam Brady for the year ended 31 March 2013. (A space for workings is provided on page 12.)			
	Sam Brady Income statement for the year ended 31 March 2013			
	/AF			
	(15 marks)			





VI	orkings



3 (b)	Prepare a balance sheet for Sam Brady at 31 March 2013. (A space for workings is provided on page 14.)
	(18 marks)
	(includes 2 marks for quality of presentation)



V	Vorkings



33





Total for this question: 10 marks

Atif Bahir is preparing his year-end financial statements at 31 March 2013. The following is a summary of transactions on Atif's business telephone expenses account for the year ended 31 March 2013.

		£
1 April 2012	Telephone rental prepaid	420
1 April 2012	Telephone call charges accrued	515
31 March 2013	Cheques paid	6 190
31 March 2013	Telephone rental prepaid	680
31 March 2013	Telephone call charges accrued	485

4 (a) Prepare the following telephone expenses account for the year ended 31 March 2013, showing clearly the transfer to the income statement.

Dr Telephone Expenses Cr

Date	Details	£	Date	Details	£

(6 marks)



4

4 (b)	Explain the meaning of the following terms.	
4 (b) (i)	Accrued expenses	
	(2 marks)	
4 (b) (ii)	Prepaid expenses	

END OF QUESTIONS



