

INTERNATIONAL GCSE ACCOUNTING

Paper 1 Introduction to Bookkeeping and Financial Accounting

Specimen paper

07:00 GMT

Time allowed: 1 hour 45 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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).

Information

- The marks for each question are shown in brackets.
- The maximum mark for this paper is 75.

Section A

Answer **all** questions in this section.

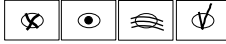
Only **one** answer per question is allowed.


For each question completely fill in the circle alongside the appropriate answer.


CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1 Which of the following is a liability?

[1 mark]

A Bank overdraft

B Cash at bank

C Inventory

D Other receivable

0 2 What is the source document to show a dishonoured cheque?

[1 mark]

A Bank statement

B Cheque counterfoil

C Paying-in slip counterfoil

D Statement of account

0 3

A business issues a credit note to one of its credit customers.

What is the book of prime entry used to record this transaction?

[1 mark]

A Cash book

B General journal

C Purchases returns journal

D Sales returns journal

0 4

Where is the sales account kept?

[1 mark]

A General journal

B General ledger

C Sales journal

D Sales ledger

0 5

Where is discount allowed recorded?

[1 mark]

A Credit trade payables ledger control account

B Debit trade payables ledger control account

C Credit trade receivables ledger control account

D Debit trade receivables ledger control account

0 6

A business owed \$300 for electricity at the start of the year and has paid \$250 in advance at the end of the year. During the year \$2 650 was paid for electricity.

What is the charge to the income statement for electricity?

[1 mark]

A \$2 100

B \$2 650

C \$2 700

D \$3 200

0 7

Inventory which originally cost \$5 000 can be sold for \$7 000 after being repaired at a cost of \$3 000.

What is the valuation of inventory?

[1 mark]

A \$3 000

B \$4 000

C \$5 000

D \$7 000

0 8

An amount owing from Daniel, a credit customer, is to be written off as irrecoverable.

What is the double entry to record this?

[1 mark]

	Debit	Credit	
A	Daniel	Irrecoverable debts	<input type="radio"/>
B	Irrecoverable debts	Daniel	<input type="radio"/>
C	Daniel	Sales	<input type="radio"/>
D	Sales	Daniel	<input type="radio"/>

0 9

A trade payables ledger control account showed the following for January 2024.

	USD \$
Credit purchases	45 000
Owed to credit suppliers on 1 January 2024	13 400
Paid to credit suppliers	29 300

What was the balance brought down on the trade payables ledger control account on 1 February 2024?

[1 mark]

A \$2 300 credit

B \$2 300 debit

C \$29 100 credit

D \$29 100 debit

1 0

Koa's bank statement showed an overdraft of \$1 236. After completing a bank reconciliation statement, Koa found two items that were in his cash book but were not shown on the bank statement:

- Item 1 – a cheque payment to a supplier of \$87
- Item 2 – a cheque received from a customer of \$190.

What was the cash book balance?

[1 mark]

A \$959

B \$1 133

C \$1 339

D \$1 513

1 1

Computers4U sells computer equipment on credit. Milo is a credit customer. He receives a trade discount of 20% and a cash discount of 5% for payment within 14 days.

On 1 September 2023 Computers4U was owed \$2 200 by Milo.

On 5 September 2023 Computers4U sold to Milo five laptop computers and 10 monitors.

On 7 September 2023 Computers4U received from Milo \$2 090 in full settlement of the balance owing on 1 September 2023.

1 1 . 1

Complete the sales invoice.

[5 marks]

Computers4U The Business Park Chelsea			
			Sales Invoice 25689
Customer: Milo 12 The High Street		Date: 5 September 2023	
Detail	Quantity	Cost per unit \$	Total cost \$
Laptop computers	5	750
Monitors	10	130
Subtotal		
Trade discount 20%		
Total		
Terms: Cash discount of 5% for payment within 14 days			

1 1 . 2

Prepare the ledger account for Milo, as it would appear in the books of Computers4U for the month of September 2023. Bring any balance down on 1 October 2023.

[5 marks]

Dr

Milo Account

Cr

Date	Details	USD \$	Date	Details	USD \$

1 2

Show, by placing a tick (✓) in the correct column, which items of expenditure are capital expenditure and which are revenue expenditure.

[5 marks]

Expenditure	Capital	Revenue
Annual insurance		
Cost of property		
Interest on loan to purchase property		
Legal fees on purchase of property		
Repainting property every year		

25

Turn over for the next section

Section B

Answer **all** questions in this section.

1	3
----------	----------

Min keeps her petty cash book using the imprest system with an imprest amount of \$100.

On 1 September 2023 the petty cash book balance was \$17.10.

During September 2023 the petty cash transactions were:

September	Transaction	\$
1	Restored the imprest amount	82.90
9	Purchased stamps	8.10
11	Paid credit supplier Jon	11.55
18	Purchased petrol	20.00
23	Paid taxi fare	12.40
26	Received cash for a personal telephone call	1.20
28	Paid credit supplier Xi	19.96
30	Purchased envelopes	6.70

Question 13 continues on the next page

1 3 1

Prepare the petty cash book for the month of September 2023, bringing the balance down on 1 October 2023.

[11 marks]

Petty cash book

Receipts \$	Date 2023	Details	Total \$	Postage and stationery \$	Travel expenses \$	Trade payables ledger \$

Question 13 continues on the next page

1 3 . 2

State **two** reasons why the cash in the petty cash tin may not agree with the cash balance in the petty cash book.

[2 marks]

1.

2.

1 3 . 3

State **two** reasons for maintaining a petty cash book as well as a cash book.

[2 marks]

1.

2.

Turn over for the next question

1 4

David has prepared the following trial balance at 31 March 2023. He has made some errors whilst preparing the trial balance.

David
Trial Balance at 31 March 2023

	Dr USD \$	Cr USD \$
Capital	93 400	
Carriage inwards		2 400
Cash at bank	3 590	
Discount received		1 850
Drawings	43 000	
Fixtures and fittings - cost		13 000
Fixtures and fittings - provision for depreciation		4 800
Land and buildings		120 410
Opening inventory		38 600
Premises expenses	18 970	
Purchases	290 000	
Returns inwards		2 960
Sales	450 000	
Sundry expenses		21 520
Trade payables	36 500	
Trade receivables	32 100	
Suspense		762 020
	<u>967 560</u>	<u>967 560</u>

Question 14 continues on the next page

1 4 . 1 Prepare a corrected trial balance at 31 March 2023.

[17 marks]

**David
Trial Balance at 31 March 2023**

	Dr USD \$	Cr USD \$
Capital		
Carriage inwards		
Cash at bank		
Discount received		
Drawings		
Fixtures and fittings - cost		
Fixtures and fittings - provision for depreciation		
Land and buildings		
Opening inventory		
Premises expenses		
Purchases		
Returns inwards		
Sales		
Sundry expenses		
Trade payables		
Trade receivables		

1 4 . 2 State **two** types of errors revealed by preparing a trial balance.

[2 marks]

1. _____

2. _____

1 4 . 3

State **one** type of error **not** revealed by preparing a trial balance.

[1 mark]

1 5

Betsie operates a delivery service. She prepares accounts to 31 December.

On 1 January 2023:

Equipment – cost \$106 000

Motor vehicles – cost \$60 000 with a provision for depreciation of \$35 000

On 1 March 2023 she purchased a motor vehicle costing \$40 000

On 31 December 2023 equipment which cost \$14 000, was sold for \$3 000 after three years use.

She depreciates:

equipment at a rate of 10% using the straight-line method

motor vehicles at a rate of 25% using the reducing balance method.

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

1 5 . 1

State **two** reasons why non-current assets depreciate.

[2 marks]

1. _____

2. _____

Question 15 continues on the next page

1 5 . 2

Prepare the disposal account to record the sale of the equipment, showing the amount to be transferred to the Income statement.

[6 marks]

Dr

Disposal Account

Cr

Date	Details	USD \$	Date	Details	USD \$

1 5 . 3

Calculate the depreciation charge for the year ended 31 December 2023 for equipment.

[3 marks]

1 5 . 4

Calculate the depreciation charge for the year ended 31 December 2023 for motor vehicles.

[4 marks]

END OF QUESTIONS

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