

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
January 2013

Accounting

ACCN1

Unit 1 Introduction to Financial Accounting

Wednesday 16 January 2013 1.30 pm to 3.00 pm

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 A N 1 3 A C C N 1 0 1

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

1

Total for this question: 15 marks

Liam Fortune sells painting and decorating materials from a number of retail outlets. The following balance was owed by Mitchell Ltd at 1 November 2012.

Sales ledger account	Mitchell Ltd	£ 440
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The following transactions took place in November 2012.

		£
3 Nov	Sold goods on credit to Mitchell Ltd	610
12 Nov	Sent a credit note for goods returned by Mitchell Ltd	55
22 Nov	Received a cheque from Mitchell Ltd in full settlement of the opening balance of £440	418

- 1 (a) Record the above information in Liam Fortune's cash book and the sales ledger account of Mitchell Ltd. Balance the sales ledger account of Mitchell Ltd at 30 November 2012.

Dr				Cash Book				Cr			
Date	Details	Discount £	Bank £	Date	Details	Discount £	Bank £				
				1 Nov	Balance b/d		1 245				

(2 marks)

Dr			Sales Ledger Account Mitchell Ltd			Cr		
Date	Details	£	Date	Details	£			

(7 marks)



1 (b) Complete the accounting heading and the double entry for the discount on 22 November 2012.

Discount

Dr

Cr

Date	Details	£	Date	Details	£

(2 marks)

Various stakeholders will have an interest in the performance of Liam Fortune's business.

1 (c) Identify **two internal** stakeholders who will have an interest in the performance of Liam Fortune's business and state **one** interest each of the stakeholders would have.

Internal stakeholder

Interest

.....

(2 marks)

Internal stakeholder

Interest

.....

(2 marks)

15

Turn over for the next question

Turn over ▶



2

Total for this question: 26 marks

Mary Robson owns a business that produces greetings cards. She provides the following list of balances extracted from the books of account at 31 December 2012.

	£
Carriage inwards	690
Carriage outwards	1 230
Discounts allowed	1 190
Discounts received	860
General expenses	22 410
Insurance	2 460
Inventory at 1 January 2012	8 470
Motor vehicle at cost	35 960
Motor vehicle – provision for depreciation at 1 January 2012	13 680
Purchases	36 550
Revenue	98 490

Additional information

- (1) Inventory at 31 December 2012 was valued at £7 600.
- (2) An invoice of £420 for carriage outwards has been incorrectly posted to the debit of purchases.
- (3) A payment of £840 was made for insurance covering the 12 months ending 30 April 2013.
- (4) A payment of £360 for general expenses has been incorrectly posted to the debit of motor vehicle at cost.
- (5) The motor vehicle is to be depreciated using the straight-line method over five years. The estimated residual value of the motor vehicle at the end of the fifth year is £12 800.



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26



Turn over for the next question

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Turn over ►



3

Total for this question: 12 marks

The following information has been extracted from the books of account of Martin Pusic for the month of December 2012.

	£
Purchases ledger balances at 1 December 2012	38 116
Cash purchases	2 909
Cheque payments to credit suppliers	20 693
Credit purchases	16 334
Discounts received (credit transactions)	504
Discounts allowed (credit transactions)	370
Returns inwards	440
Returns outwards	515

Additional information

- (1) A cheque for £483 paid to a credit supplier has been incorrectly posted to the debit of purchases.
- (2) A cheque for £361 paid to Wagstaffe Ltd, a credit supplier, was returned unpaid by Martin's bank. The cheque was in full settlement of an invoice for £380.
- (3) Adams Ltd is both a customer and a supplier. A contra needs to be processed in the purchases ledger to clear the balance owing to Adams Ltd of £144.



4

Total for this question: 27 marks

Henryk Sarwicki has prepared the following balance sheet for his business. It contains errors and the balance sheet totals do not agree.

Henryk Sarwicki
Balance sheet for the year ended 31 December 2012

	£	£
Non-current assets		
Motor vehicles at cost		50 000
Current assets		
Inventory	35 000	
Trade receivables	12 000	
Carriage inwards	2 000	
Drawings	27 000	
Accruals	5 000	
	81 000	
Current liabilities		
Bank overdraft	7 000	
Bank loan account (repayable 2014)	12 000	
Motor vehicles – provision for depreciation	20 000	
Prepayments	3 000	
Trade payables	14 000	
	56 000	
Net current liabilities		25 000
		75 000
Capital account		
Balance at 1 January 2012		31 000
Profit for the year		45 000
		76 000

Additional information

- (1) Motor vehicles had not yet been depreciated for the year. Depreciation is calculated at 20% per annum using the straight-line method.
- (2) The value of inventory had been overstated by £4000.
- (3) Henryk had paid £8000 capital into the business bank account on 31 December 2012. This had not yet been recorded.
- (4) An accrual for rent had been overstated by £1000.
- (5) Drawings of £3000 had been incorrectly recorded as purchases.
- (6) A bad debt of £5000 had been recorded in the sales ledger, but had not been recorded in the general ledger.
- (7) Henryk was unsure of how to record carriage inwards in the financial statements.



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