

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

Leave blank
-------------

General Certificate of Education  
 January 2003  
 Advanced Subsidiary Examination



**ACCOUNTING** **ACC1**  
**Unit 1: Financial Accounting:**  
**The Accounting Information System**

Wednesday 15 January 2003 Afternoon Session

**No additional materials are required.**  
 You may use a calculator.

Time allowed: 1 hour

**Instructions**

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions in the spaces provided.
- 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 marked.

**Information**

- The maximum mark for this paper is 80. This includes up to 4 marks for the Quality of Written Communication.
- Mark allocations are shown in brackets.
- You will be assessed on your ability to use an appropriate form and style of writing, to organise relevant information clearly and coherently, and to use specialist vocabulary, where appropriate. The degree of legibility of your handwriting and the level of accuracy of your spelling, punctuation and grammar will also be taken into account.

For Examiner's Use			
Number	Mark	Number	Mark
1			
2			
3			
4			
5			
6			
Total (Column 1)	→		
Total (Column 2)	→		
Quality of Written Communication			
TOTAL			
Examiner's Initials			

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

1

**Total for this question: 10 marks**

**REQUIRED**

- (a) In the table below identify **three** subsidiary books (other than the example below) and state **one** source document which is used to make an entry in each of the books you have identified.

An example has been given.

	<b>Subsidiary book</b>	<b>Source document</b>
e.g.	Petty cash book	Petty cash voucher
1		
2		
3		

(6 marks)

- (b) Explain **two** benefits to a business of using a computer to record financial transactions.

Benefit 1: .....

.....

.....

Benefit 2: .....

.....

.....

(4 marks)

2

**Total for this question: 6 marks**

Joe Parkinson's books show the following information for December 2002.

Cash sales were £28 967.45 including VAT at 17.5%.

The VAT on purchases for the month was £2389.36.

The purchase of new machinery included VAT of £600.

**REQUIRED**

Calculate the amount of VAT due to Customs and Excise for the month of December 2002. Show detailed workings.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

*(6 marks)*

6

**TURN OVER FOR THE NEXT QUESTION**

3

**Total for this question: 15 marks**

The following balances are taken from the books of James Cadwallader showing totals for the year ended 31 December 2002.

	£
Sales	67 945
Purchases	34 981
Returns inwards	2 945
Returns outwards	1 367
Carriage inwards	679
Carriage outwards	386
Stock at 1 January 2002	5 780
Stock at 31 December 2002	6 590
Wages	12 056
Other expenses	4 650

**REQUIRED**

Prepare the trading and profit and loss account for the year ended 31 December 2002.

**James Cadwallader**

**Trading and Profit and Loss Account for the year ended 31 December 2002**

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

*(15 marks)*

4

**Total for this question: 10 marks**

James Cadwallader was advised to prepare the following:

1. a bank reconciliation statement;
2. control accounts;
3. a trial balance.

**REQUIRED**

- (a) Complete the following table, showing the account(s) which each of these techniques would verify.

	<b>Technique</b>	<b>Account(s)</b>
1.	Bank reconciliation statement	
2.	Control accounts	
3.	Trial balance	

*(3 marks)*

- (b) Do these three techniques show whether or not his bookkeeping was correct? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

*(7 marks)*

**TURN OVER FOR THE NEXT QUESTION**

5

**Total for this question: 19 marks**

Mary Arbuthnot runs Mary’s Doll Shop and is preparing her balance sheet but has problems with allocating **four** items.

**REQUIRED**

Using the memorandum below, advise her as to which section/sub-heading of the balance sheet the items should appear under. Give detailed reasons for your choice.

**MEMORANDUM**

**Date** .....

**To** .....

**From** .....

**Subject** .....

*(headings: 1 mark)*

1. Cost of new delivery van

Section: .....  
*(1 mark)*

Reasons: .....  
.....  
.....  
.....  
.....  
.....  
*(5 marks)*

2. Stock of dolls for resale

Section: .....  
*(1 mark)*

Reasons: .....  
.....  
.....  
*(2 marks)*



3. Telephone bill due to be paid in one month's time

Section: ..... (1 mark)

Reasons: .....  
.....  
.....  
..... (3 marks)

4. Drawings for the year

Section: ..... (1 mark)

Reasons: .....  
.....  
.....  
..... (4 marks)

**TURN OVER FOR THE NEXT QUESTION**

6

**Total for this question: 16 marks**

The petty cash book for The Taj Mahal Restaurant has been only partly completed for the week ended 12 January 2003.

**REQUIRED**

(a) Complete the petty cash book opposite for the week from the following details:

Jan 9	Petrol	£12.50	(including VAT)	
Jan 10	Postage on parcels	£8.50	(no VAT)	
Jan 11	Saturday help	£20.00	(no VAT)	(5 marks)

(b) Balance the petty cash book opposite **and** total the analysis columns. Make the necessary entries to restore the imprest to £120.00. (5 marks)

(c) Explain how the balance shown in the petty cash book can be checked for accuracy.  
.....  
.....  
(2 marks)

(d) Give **two** benefits of using a petty cash book.  
Benefit 1 .....  
.....  
.....  
.....  
Benefit 2 .....  
.....  
.....  
.....  
(4 marks)

**Petty Cash Book**

Received	Date	Details	Voucher number	Total	VAT	Motor expenses	Stationery	Postage	Sundries
£ p				£ p	£ p	£ p	£ p	£ p	£ p
120.00	2003 Jan 6	Balance b/d							
	Jan 7	Petrol	27	23.00	3.43	19.57			
	Jan 8	Postage	28	15.00				15.00	
	Jan 8	Envelopes	29	10.00	1.49		8.51		
	Jan 8	Cleaner	30	15.00					15.00