

Write your name here

Surname					Other names									
Pearson Edexcel					Centre Number					Candidate Number				
International GCSE					<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<h1>Accounting</h1> <h2>Paper 1</h2>														
Tuesday 23 January 2018 - Morning Time: 2 hours 30 minutes										Paper Reference 4AC0/01				
You do not need any other materials.												Total Marks		
<input type="text"/>												<input type="text"/>		

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Write your answers neatly in good English.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►



SECTION B

Answer ALL questions.

11 Selina Gomez owns a wholesale electrical supplies business. She buys and sells mainly on credit terms.

(a) Complete the following table to show the book of original entry in which **each** transaction would be entered.

(5)

Transaction	Book of original entry
Sold goods on credit	
Sold goods for cash	
Purchased a fixed asset on credit	
Returned goods to a credit supplier	
Paid a credit supplier by bank transfer	

On the 1 September 2017 her purchases ledger contained the following credit balances:

A Alder	£1 266
B Brown	£3 478
N Carter	£2 188
D Davis	£1 068

At the end of September 2017 she extracted the following information from her records.

	£
Purchases on credit	21 786
Payments to credit suppliers	15 422
Returns to credit suppliers	1 731
Interest charged by credit suppliers	184
Sales ledger balance set off	650

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(b) Prepare the purchases ledger control account for the month of September 2017.
 Balance the account on 30 September 2017 and bring the balance down to
 1 October 2017.

(8)

Purchases Ledger Control Account

Date	Details	£	Date	Details	£

(c) Explain **one** error that would **not** be identified by preparing a purchases ledger control account.

(2)

.....

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.....

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(Total for Question 11 = 15 marks)

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Section B

Question Number	Answer	Mark												
11(a)	Award 1 mark for each correct response.													
	<table border="1"> <thead> <tr> <th>Transaction</th> <th>Book of original entry</th> </tr> </thead> <tbody> <tr> <td>Sold goods on credit</td> <td>Sales book (1)</td> </tr> <tr> <td>Sold goods for cash</td> <td>Cash book (1)</td> </tr> <tr> <td>Purchased a fixed asset on credit</td> <td>Journal (1)</td> </tr> <tr> <td>Returned goods to a credit supplier</td> <td>Purchase returns book (1)</td> </tr> <tr> <td>Paid a credit supplier by bank transfer</td> <td>Cash book (1)</td> </tr> </tbody> </table>		Transaction	Book of original entry	Sold goods on credit	Sales book (1)	Sold goods for cash	Cash book (1)	Purchased a fixed asset on credit	Journal (1)	Returned goods to a credit supplier	Purchase returns book (1)	Paid a credit supplier by bank transfer	Cash book (1)
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Paid a credit supplier by bank transfer	Cash book (1)													
(5)														

Question Number	Answer	Mark																																										
11(b)	Award marks for correct amounts as indicated. Award 1 mark for ALL correct dates and narratives																																											
	Purchases Ledger Control Account																																											
	<table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>£</th> <th>Date</th> <th>Details</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Sept 30</td> <td>Cash book</td> <td>15 422 (1)</td> <td>Sept 1</td> <td>Balance b/f</td> <td>8 000 (1)</td> </tr> <tr> <td></td> <td>Purchases returns book</td> <td>1 731 (1)</td> <td>Sept 30</td> <td>Purchases book</td> <td>21 786 (1)</td> </tr> <tr> <td></td> <td>Sales ledger set off</td> <td>650 (1)</td> <td></td> <td>Journal (interest charged)</td> <td>184 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td>12167</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>29 970</u></td> <td></td> <td></td> <td><u>29 970</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Oct 1</td> <td>Balance b/d</td> <td>12167 (1 of)</td> </tr> </tbody> </table>		Date	Details	£	Date	Details	£	Sept 30	Cash book	15 422 (1)	Sept 1	Balance b/f	8 000 (1)		Purchases returns book	1 731 (1)	Sept 30	Purchases book	21 786 (1)		Sales ledger set off	650 (1)		Journal (interest charged)	184 (1)		Balance c/d	12167						<u>29 970</u>			<u>29 970</u>				Oct 1	Balance b/d	12167 (1 of)
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(8)																																												

Question Number	Answer	Mark
11(c)	<p>Award 1 mark for identification of type of error and 1 mark for developing the reason.</p> <p>Eg</p> <p>Commission Where the correct amount has been entered but in the wrong account of the correct classification.</p> <p>Omission Where a transaction has been completely omitted from the books.</p> <p>Original Entry Where the original figure is incorrect but the double entry is correct.</p>	(2)

(Total for Question 11 = 15 marks)

- 12** Devon Sawa maintains a full set of accounting books including a petty cash book, which is kept using the imprest system with a float of £250.

On 1 November 2017 the balance of the petty cash book was £186. On that day the float was restored.

During the month of November 2017 Devon made the following petty cash transactions.

November	Voucher Number	Transaction	£
1	101	Paid sales manager's travel expenses for October 2017.	28
6	102	Purchased postage stamps.	8
10	103	Paid window cleaner.	19
14	104	Paid for taxi fare to the train station for client.	21
22	105	Purchased photocopy paper.	12
26		Sold stamps to a member of staff.	4
29	106	Paid office cleaner's wages.	25
30	107	Paid Peters, a credit supplier.	35

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On 1 November 2017 the balance on the postage and stationery account was £57.

- (b) Prepare the postage and stationery account for the month of November 2017 to show the transfers from the petty cash book. Balance the account on 30 November 2017 and bring the balance down to 1 December 2017.

(4)

Postage and Stationery Account

Date	Details	£	Date	Details	£



(c) State in which section of the balance sheet the petty cash balance on 30 November 2017 will appear.

(1)

On 30 November 2017 Devon Sawa provided the following information.

Year ended 30 November	Current ratio	Quick ratio (acid test)
2016	2.5:1	1.4:1
2017	1.3:1	0.9:1

(d) Evaluate the change in the liquidity of the business over the two years and the implications of this for the business's creditors.

(5)

(Total for Question 12 = 25 marks)

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Question Number	Answer																																																																																																																																																																			
12 (a)	<p>Award marks as shown</p> <p style="text-align: center;">Petty Cash Book</p> <table border="1" style="width:100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 10%;">Receipts</th> <th style="width: 10%;">Date Nov</th> <th style="width: 20%;">Details</th> <th style="width: 10%;">Voucher No</th> <th style="width: 10%;">Total</th> <th style="width: 10%;">Postage and Stationery</th> <th style="width: 10%;">Travel</th> <th style="width: 10%;">Cleaning</th> <th style="width: 10%;">Ledger Accounts</th> </tr> <tr> <th style="text-align: right;">£</th> <th></th> <th></th> <th></th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td>186 (1)</td> <td>1</td> <td>Balance b/f</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>64 (1)</td> <td>1</td> <td>Cash book</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1</td> <td>Manager's travel claim</td> <td>101</td> <td>28 (1)</td> <td></td> <td>28</td> <td></td> <td></td> </tr> <tr> <td></td> <td>6</td> <td>Stamps</td> <td>102</td> <td>8 (1)</td> <td>8</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>10</td> <td>Window cleaner</td> <td>103</td> <td>19 (1)</td> <td></td> <td></td> <td>19</td> <td></td> </tr> <tr> <td></td> <td>14</td> <td>Taxi fare</td> <td>104</td> <td>21 (1)</td> <td></td> <td>21</td> <td></td> <td></td> </tr> <tr> <td></td> <td>22</td> <td>Photocopy paper</td> <td>105</td> <td>12 (1)</td> <td>12</td> <td></td> <td></td> <td></td> </tr> <tr> <td>4 (1)</td> <td>26</td> <td>Stamps</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>29</td> <td>Office cleaner</td> <td>106</td> <td>25 (1)</td> <td></td> <td></td> <td>25</td> <td></td> </tr> <tr> <td></td> <td>30</td> <td>Peters</td> <td>107</td> <td>35 (1)</td> <td></td> <td></td> <td></td> <td>35</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>148</td> <td style="text-align: right;"><u>20</u></td> <td style="text-align: right;"><u>49</u></td> <td style="text-align: right;"><u>44</u></td> <td style="text-align: right;"><u>35</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">(1of) for row</td> </tr> <tr> <td></td> <td>30</td> <td>Balance c/d</td> <td></td> <td>106</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>254</u></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">254 (1of)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>106 (1of)</td> <td>Dec 1</td> <td>Balance b/d</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>+1 for dates +1 for details</p>	Receipts	Date Nov	Details	Voucher No	Total	Postage and Stationery	Travel	Cleaning	Ledger Accounts	£				£	£	£	£	£	186 (1)	1	Balance b/f							64 (1)	1	Cash book								1	Manager's travel claim	101	28 (1)		28				6	Stamps	102	8 (1)	8					10	Window cleaner	103	19 (1)			19			14	Taxi fare	104	21 (1)		21				22	Photocopy paper	105	12 (1)	12				4 (1)	26	Stamps								29	Office cleaner	106	25 (1)			25			30	Peters	107	35 (1)				35					148	<u>20</u>	<u>49</u>	<u>44</u>	<u>35</u>									(1of) for row		30	Balance c/d		106									<u>254</u>									254 (1of)						106 (1of)	Dec 1	Balance b/d						(15)
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12 (b)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Postage and Stationery Account</p> <table border="1" style="width:100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 15%;">£</th> <th style="width: 15%;">Date</th> <th style="width: 30%;">Details</th> <th style="width: 15%;">£</th> </tr> </thead> <tbody> <tr> <td>Nov 1</td> <td>Balance b/d</td> <td style="text-align: right;">57 (1)</td> <td>Nov 30</td> <td>Petty cash book</td> <td style="text-align: right;">4 (1)</td> </tr> <tr> <td>Nov 30</td> <td>Petty cash book</td> <td style="text-align: right;">20 (1 of)</td> <td>Nov 30</td> <td>Balance c/d</td> <td style="text-align: right;">73</td> </tr> </tbody> </table>	Date	Details	£	Date	Details	£	Nov 1	Balance b/d	57 (1)	Nov 30	Petty cash book	4 (1)	Nov 30	Petty cash book	20 (1 of)	Nov 30	Balance c/d	73	(4)
Date	Details	£	Date	Details	£															
Nov 1	Balance b/d	57 (1)	Nov 30	Petty cash book	4 (1)															
Nov 30	Petty cash book	20 (1 of)	Nov 30	Balance c/d	73															

			<u>77</u>			<u>77</u>	
	Dec 1	Balance b/d	73 (1 of)				

Question Number	Answer	Mark
12 (c)	Award mark for correct response only Current assets (1)	(1)
Question Number	Answer	Mark
12 (d)	<p>Award (1) mark for a general statement regarding the change in liquidity over the two years; a further (2) marks for the meaning of each individual ratio; (1) mark for the implication for their creditors and a final (1) mark for a conclusion.</p> <p>Sample answer</p> <p>The liquidity of the business has worsened over the two years (1) which is evidenced by the reduction in both ratios.</p> <p>The current ratio indicates that they are just able to cover their short term debts (1) whereas their quick ratio indicates that they are below the ideal ratio of 1:1. (1)</p> <p>The implication of this for a creditor is that the business may experience some difficulty in meeting its short term debts (1).</p> <p>The business needs to consider whether it needs to take steps to invest more cash into the business in order to meet its short term obligations (1)</p>	(5)

(Total for Question 12 = 25 marks)

13 At the close of business on 30 September 2017 the business bank account of Finn Bar showed a balance of £2 314.73 (Dr).

On the same date he received a bank statement that showed a balance of £2 795.73 (Cr).

On investigation he identified the following reasons for the difference.

- Bank charges for the month of September 2017 of £84 had been debited directly by the bank but had not yet been recorded in the cash book.
- An error had occurred when balancing the cash book: the bookkeeper had overcast the total of the debit entries by £160.
- The bank statement included a direct debit for insurance of £750, which had not been recorded in the cash book.
- Cash takings of £1 485.55 banked on 30 September 2017 had not yet appeared on the bank statement.
- Two cheques sent to suppliers during the month of September 2017 had not yet been presented for payment:
 - Cheque No: 196 B Hope £261.55
 - Cheque No: 199 F Faith £399.00
- A customer, S King, had paid his account of £2 300 by credit transfer directly into Finn Bar’s bank account. This had not yet been recorded in the cash book.

(a) Prepare the updated bank account for the month of September 2017 and bring down the corrected balance on 1 October 2017.

(5)

Bank Account

Date	Details	£	Date	Details	£

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(b) Prepare a bank reconciliation statement at 30 September 2017.

(5)

**Finn Bar
Bank Reconciliation Statement
At 30 September 2017**

(c) Evaluate Finn Bar's decision to purchase accounting software to help him run his business.

(5)

(Total for Question 13 = 15 marks)

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Question Number	Answer	Mark					
13 (a)	Award marks for correct date, details and amounts in combination.	(5)					
	Bank Account						
	Date		Details	£	Date	Details	£
	Sep 30		Balance b/d	2314 .73	Sep 30	Bank charges	84 (1)
			CT King	2 300 (1)		Error	160 (1)
						DD Insurance	750 (1)
						Balance c/d	3 620.73
				<u>4 614.73</u>			<u>4 614.73</u>
Oct 1	Balance b/d	3 620.73 (1 of)					
Question Number	Answer	Mark					
13 (b)	Award marks as shown	(5)					
	Finn Bar Bank Reconciliation Statement at 30 September 2019						
	Balance as per cash book		3620.73 (1of)				
	Unpresented cheques						
	o Cheque No: 196 B Hope		261.55 (1)				
	o Cheque No: 199 F Faith		<u>399.00</u> (1)				
			4281.28				
	Outstanding lodgement		1485.55(1)				
	Balance as per bank statement		<u>2 795.73(1)</u>				
	OR						
Balance as per bank statement	2795.73 (1)						
Unpresented cheques							
o Cheque No: 196 B Hope	261.55 (1)						
o Cheque No: 199 F Faith	<u>399.00</u> (1)						
	2135.18						
Outstanding lodgement	1485.55(1)						

	Balance as per cash book	<u>3620.73</u> (1of)	
Question Number	Answer		Mark
13 (c)	<p>Award up to 2 marks for evaluative statements in favour of the introduction and up to 2 marks for statements against the introduction.</p> <p>Award 1 mark for a suitable conclusion.</p> <p>Sample answer</p> <p>By introducing accounting software to help him run his business Finn Bar will find that he will save time (1) as the software will process the double entry without the need to make two entries (1). However there will be a cost (1) involved in this decision which may include the cost of training staff to use the software together with the cost of purchasing the software itself (1)</p> <p>Time saved may eventually cover the costs of purchasing the software and training staff. (1)</p>		(5)

(Total for Question 13 = 15 marks)

- 14 Tornby, a manufacturer of children's toys, provided the following information for the year ended 31 October 2017.

	£
Stock 1 November 2016	
Finished goods	68 000
Raw materials	45 000
Work in progress	13 650
Stock 31 October 2017	
Finished goods	62 000
Raw materials	50 600
Work in progress	16 105
Factory machinery	
Cost	350 000
Accumulated depreciation	200 000
Office equipment	
Cost	75 000
Accumulated depreciation	25 000
Direct factory wages	78 600
Heat and light	26 000
Indirect factory wages	28 930
Insurance	1 750
Purchases of finished goods	22 000
Purchases of raw materials	245 000
Rent and rates	8 000
Revenue	563 000

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(b) Prepare the income statement for the year ended 31 October 2017.

(10)

Tornby

Income Statement For The Year Ended 31 October 2017

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Question Number	Answer	Mark																																																									
14 (a)	<p data-bbox="368 304 683 338">Award marks as shown</p> <p data-bbox="496 409 1082 506" style="text-align: center;">Tornby Manufacturing account for the year ended 31 October 2017.</p> <table border="1" data-bbox="368 544 1187 1384"> <thead> <tr> <th></th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td>Opening stock raw materials</td> <td style="text-align: right;">45 000</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;"><u>245 000</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">290 000</td> <td></td> </tr> <tr> <td>Closing stock raw materials</td> <td style="text-align: right;"><u>50 600</u></td> <td></td> </tr> <tr> <td>Cost of raw materials consumed</td> <td></td> <td style="text-align: right;">239 400 (1) w + f</td> </tr> <tr> <td>Direct factory wages</td> <td></td> <td style="text-align: right;"><u>80 000</u> (1)</td> </tr> <tr> <td>Prime cost</td> <td></td> <td style="text-align: right;">319 400 (1of) w + f</td> </tr> <tr> <td>Overheads</td> <td></td> <td></td> </tr> <tr> <td>Heat and light</td> <td style="text-align: right;">19 500 (1)</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">1 125 (1)</td> <td></td> </tr> <tr> <td>Rent and rates</td> <td style="text-align: right;">6 000 (1)</td> <td></td> </tr> <tr> <td>Indirect factory wages</td> <td style="text-align: right;">28 930 (1)</td> <td></td> </tr> <tr> <td>Depreciation - machinery</td> <td style="text-align: right;">37 500 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>93 055</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">412 455</td> </tr> <tr> <td>Opening stock work in progress</td> <td style="text-align: right;">13 650</td> <td></td> </tr> <tr> <td>Closing stock work in progress</td> <td style="text-align: right;">(16 105)</td> <td style="text-align: right;"><u>(2 455) (1)</u></td> </tr> <tr> <td>Production cost</td> <td></td> <td style="text-align: right;">410 000 (1of w + f)</td> </tr> </tbody> </table>		£	£	Opening stock raw materials	45 000		Purchases	<u>245 000</u>			290 000		Closing stock raw materials	<u>50 600</u>		Cost of raw materials consumed		239 400 (1) w + f	Direct factory wages		<u>80 000</u> (1)	Prime cost		319 400 (1of) w + f	Overheads			Heat and light	19 500 (1)		Insurance	1 125 (1)		Rent and rates	6 000 (1)		Indirect factory wages	28 930 (1)		Depreciation - machinery	37 500 (1)				<u>93 055</u>			412 455	Opening stock work in progress	13 650		Closing stock work in progress	(16 105)	<u>(2 455) (1)</u>	Production cost		410 000 (1of w + f)	(10)
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14 (c)	<p>Award marks as shown</p> <p style="text-align: center;">Tornby Extract of the balance sheet at 31 October 2017.</p> <table border="1" data-bbox="368 488 1206 801"> <thead> <tr> <th></th> <th>£</th> <th>£</th> <th>£</th> </tr> <tr> <th>Fixed assets</th> <th>Cost</th> <th>Depr</th> <th>Net book value</th> </tr> </thead> <tbody> <tr> <td>Factory machinery</td> <td>350 000</td> <td>237 500 (1 of)</td> <td>112 500 (1 of)</td> </tr> <tr> <td>Office equipment</td> <td><u>75 000</u></td> <td><u>40 000 (1 of)</u></td> <td><u>35 000 (1 of)</u></td> </tr> <tr> <td></td> <td><u>425 000</u></td> <td><u>277 500</u></td> <td>147 500 (1 of)</td> </tr> </tbody> </table>		£	£	£	Fixed assets	Cost	Depr	Net book value	Factory machinery	350 000	237 500 (1 of)	112 500 (1 of)	Office equipment	<u>75 000</u>	<u>40 000 (1 of)</u>	<u>35 000 (1 of)</u>		<u>425 000</u>	<u>277 500</u>	147 500 (1 of)	(5)
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(Total for Question 14 = 25 marks)

DO NOT WRITE IN THIS AREA

15 (a) Explain the difference between a bad debt and a provision for doubtful debts. (2)

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At the end of their financial year on 30 November 2017, Baker and Butcher provided the following information related to its debtors.

Balance	Amount (£)
1 December 2016	5 870
30 November 2017	7 000

On 30 November 2017 Baker and Butcher decided to write off a bad debt of £300 and create a provision for doubtful debts of 2% of remaining debtors.

(b) Prepare the journal entries to record **both** of these transactions. Narratives are required. (6)

Date	Account	Debit (£)	Credit (£)



(c) State **two** ways in which a business could ensure that the debtors pay on time.

(2)

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(Total for Question 15 = 10 marks)

TOTAL FOR SECTION B = 90 MARKS

TOTAL FOR PAPER = 100 MARKS

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

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Question Number	Answer	Mark																												
15 (a)	<p>Award up to 2 marks for a clear explanation of the difference between the two terms</p> <p>Eg A bad debt is written off when there is a reasonable certainty that a specific debtor is not going to pay (1) whereas a provision for doubtful debts is made when there is some doubt that the total value of debtors will be collected. (1)</p>	(2)																												
15 (b)	<p>Award marks for correct labels, amounts and narratives as shown</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Account</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Nov 30</td> <td>Bad debts</td> <td>300 (1)</td> <td></td> </tr> <tr> <td></td> <td>Sales ledger control account</td> <td></td> <td>300 (1)</td> </tr> <tr> <td></td> <td>Being the writing off of a bad debt. (1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Profit and loss</td> <td>134 (1)</td> <td></td> </tr> <tr> <td></td> <td>Provision for doubtful debts</td> <td></td> <td>134 (1)</td> </tr> <tr> <td></td> <td>Being the creation of a provision for doubtful debts (1)</td> <td></td> <td></td> </tr> </tbody> </table>	Date	Account	Debit	Credit	Nov 30	Bad debts	300 (1)			Sales ledger control account		300 (1)		Being the writing off of a bad debt. (1)				Profit and loss	134 (1)			Provision for doubtful debts		134 (1)		Being the creation of a provision for doubtful debts (1)			(6)
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15 (c)	<p>Award 1 mark for each correct response max 2</p> <p>Eg Offer cash discount (1) Improve credit control (1) Charge interest on overdue payments (1) Send invoices and/or statements of account regularly (1)</p>	(2)																												

(Total for Question 15 = 10 marks)