

Please check the examination details below before entering your candidate information

Candidate surname

Other names

**Pearson Edexcel  
International GCSE**

Centre Number

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Candidate Number

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**Tuesday 21 January 2020**

Morning (Time: 1 hour 15 minutes)

Paper Reference **4AC1/02**

**Accounting**

**Level 1/2**

**Paper 2: Financial Statements**

**You do not need any other materials.**

Total Marks

### 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.*
- Calculators may be used.

### Information

- The total mark for this paper is 50.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

### Advice

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

Turn over ►

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Pearson

**Answer ALL questions. Write your answers in the spaces provided.**

**1** Mia provided the following information at 1 January 2019.

	\$
Bank	5 750 Cr
Fixtures and fittings (cost \$60 000)	48 000
Inventory	20 000
Other receivables	1 100
Trade payables	34 950
Trade receivables	40 000

(a) Calculate the equity at 1 January 2019.

(3)

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(c) Prepare an extract of the statement of financial position at 31 December 2019 showing the **equity section** only.

(5)

**Mia**

**Statement of financial position at 31 December 2019**

**Equity**

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(d) State **two** factors that cause non-current assets to depreciate.

(2)

1 .....

2 .....

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(e) State **two** concepts that apply when depreciating non-current assets.

(2)

1 .....

2 .....

(f) (i) State the formula for each ratio.

(2)

Ratio	Formula	2019	2018
Current (working capital)		1.8:1	2:1
Liquid (acid test)		0.5:1	1:1

(ii) Evaluate the change in liquidity.

(5)

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**(Total for Question 1 = 25 marks)**

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2 Jeff is a manufacturer of motor vehicles.

(a) Define the following terms:

(3)

raw materials

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work in progress

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finished goods.

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**QUESTION 2 (b) BEGINS ON THE NEXT PAGE.**



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Jeff provided the following information for the year ended 31 December 2019.

	<b>1 January</b> \$	<b>31 December</b> \$
Inventory		
Finished goods	25 500	31 750
Raw materials	18 750	16 250
Work in progress	21 570	18 590
Factory machinery		
Cost	90 000	90 000
Provision for depreciation	43 920	<b>To be calculated</b>
Carriage inwards		8 955
Insurance		12 500
Heat, light and power		37 250
Purchases of raw materials		238 795
Production wages		98 000
Supervisor wages		28 575
Royalties		50 000

- Insurance, heat, light and power are apportioned between the factory and the office in the ratio of 80:20
- Heat, light and power paid in advance, \$1 750
- Production wages for workers owing, \$1 250
- Supervisor wages owing, \$2 325
- Depreciation for factory machinery is charged at 20% per annum using the reducing balance method.











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