

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

INTERNATIONAL AS ACCOUNTING

Paper 1 Introduction to Financial Accounting

Tuesday 6 May 2025

07:00 GMT

Time allowed: 2 hours

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).
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Information

- The marks for each question are shown in brackets.
- The maximum mark for this paper is 80.

For Examiner's Use	
Section	Mark
A	
B	
C	
TOTAL	

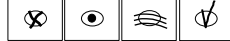


Section AAnswer **all** questions in this section.For multiple-choice questions only **one** answer per question is allowed.

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**

What is the formula to calculate the current ratio?

[1 mark]

A
$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

☐

B
$$\frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities}}$$

☐

C
$$\frac{\text{Current assets}}{\text{Current liabilities}} \times 100$$

☐

D
$$\frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities}} \times 100$$

☐**0 2**

Which type of organisation can offer shares to the general public?

[1 mark]**A** Partnership☐**B** Private limited company☐**C** Public limited company☐**D** Sole trader☐

0 3

Equipment that originally cost \$16 400, with accumulated depreciation of \$4 551, was sold for \$13 500.

What is the profit or loss on disposal?

[1 mark]

A \$1 651 loss

☐

B \$1 651 profit

☐

C \$2 900 loss

☐

D \$2 900 profit

☐
0 4

On 1 January 2024, motor vehicles had a carrying value of \$40 960.

During the year ended 31 December 2024, a motor vehicle with a carrying value of \$16 000 was sold and a new motor vehicle costing \$22 000 was purchased.

Motor vehicles are depreciated using the reducing balance method at a rate of 20% per annum. A full year's depreciation is charged in the year of purchase and none in the year of disposal.

What is the charge for depreciation in the income statement for the year ended 31 December 2024?

[1 mark]

A \$6 992

☐

B \$8 192

☐

C \$9 392

☐

D \$12 592

☐

Turn over ►



0 5

During the first year of trading, a business purchased \$225 000 of goods on credit and paid \$180 000 to credit suppliers.

What is the trade payable days?

[1 mark]

- A** 30 days ☐
- B** 73 days ☐
- C** 91 days ☐
- D** 292 days ☐

0 6

On 1 March 2025, a credit customer buys goods with a list price of \$600.

The customer receives:

- 10% trade discount
- 5% cash discount if payment is made within 10 days.

How much will the customer pay if payment is made on 7 March 2025?

[1 mark]

- A** \$510 ☐
- B** \$513 ☐
- C** \$540 ☐
- D** \$570 ☐

0 7

Which of the following is **not** shown in a trading account?

[1 mark]

- A** Carriage inwards ☐
- B** Carriage outwards ☐
- C** Returns inwards ☐
- D** Returns outwards ☐



0 8

A business makes an adjustment in the accounts for goods taken by the owner for their own use.

Which accounting concept is being applied?

[1 mark]

- A** Accruals ☐
- B** Business entity ☐
- C** Consistency ☐
- D** Money measurement ☐

0 9

Which of the following statements is true of financial accounting?

[1 mark]

- A** Mainly used for planning and decision making ☐
- B** No set presentation of information ☐
- C** Only prepared for internal purposes ☐
- D** Shows historical information ☐

1 0

A business has a draft profit for the year ended 31 January 2025 of \$75 240.

The business has identified that general expenses, paid by cheque, of \$750 had been correctly entered in the bank account but credited to general expenses as \$570.

What is the adjusted profit for the year ended 31 January 2025?

[1 mark]

- A** \$73 920 ☐
- B** \$75 060 ☐
- C** \$75 420 ☐
- D** \$76 560 ☐

Turn over ►

1 1

Identify the source document **and** the book of prime entry used for each of the following transactions.

An example is given.

[6 marks]

Transaction	Source document	Book of prime entry
Payment of rent by direct debit	Bank statement	Cash book
Cheque drawn for cash		
Purchase of inventory returned to a credit supplier		
Purchase of non-current assets on credit		



Turn over for the next question

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ANSWER IN THE SPACES PROVIDED**

Turn over ►



1 2

A business extracts the following balances from the books of account at 31 January 2025:

	\$
Cash at bank	8 340
Depreciation expense	5 460
Drawings	17 500
Equity	31 270
General expenses	27 150
Inventory at 1 February 2024	29 500
Plant and machinery at cost	36 400
Plant and machinery provision for depreciation	16 380
Purchases	81 300
Purchases returns	430
Revenue	138 200
Trade payables	19 370

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1 2

Prepare a trial balance at 31 January 2025.

[7 marks]

Trial Balance at 31 January 2025

Account	Dr	Cr
	\$	\$
Cash at bank		
Depreciation expense		
Drawings		
Equity		
General expenses		
Inventory at 1 February 2024		
Plant and machinery at cost		
Plant and machinery provision for depreciation		
Purchases		
Purchases returns		
Revenue		
Trade payables		

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23

Turn over ►



Section BAnswer **all** questions in this section.**1 3**

Robin is preparing his financial statements for the year ended 31 May 2024.

He has provided the following:

Dr				Cash Book				Cr			
Date	Details	Discount	Bank	Date	Details	Discount	Bank				
		\$	\$			\$	\$				
28 May	Balance b/d	307	3 150	28 May	Balance b/d	195					
29 May	Asma credit transfer		250	29 May	Usman cheque 54632					430	
30 May	C Owens cheque	18	282	31 May	Nadia cheque 54633	13				142	
30 May	Hugo credit transfer		1 250	31 May	Balance c/d					4 360	
		<u>325</u>	<u>4 932</u>			<u>208</u>	<u>4 932</u>				
01 June	Balance b/d		4 360								

Bank Statement

Date	Description	Dr	Cr	Balance	
		\$	\$	\$	
28 May	James		50	3 150	CR
28 May	Bank charges	19		3 131	CR
29 May	Asma		250	3 381	CR
30 May	Hugo		1 250	4 631	CR
31 May	Cheque 54633	142		4 489	CR



1 3 . 1 Prepare a bank reconciliation statement at 31 May 2024.

[5 marks]

Bank reconciliation statement at 31 May 2024

1 3 . 2 Prepare the following accounts for the year ended 31 May 2024.

[4 marks]

Dr **Discount Allowed** **Cr**

Date	Details	\$	Date	Details	\$

Dr **Discount Received** **Cr**

Date	Details	\$	Date	Details	\$

Turn over ►



Advise Robin whether he should also prepare a bank reconciliation statement at the end of each month.

[illegible]

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Turn over ►



1 4

Akira has provided the following information for the year ended 30 April 2025.

	\$
Trade receivables at 1 May 2024	34 000
Provision for doubtful debts at 1 May 2024	680
Cash sales	18 875
Cheques received from credit customers	263 605
Credit sales	276 400
Discount allowed	2 910
Discount received	3 870
Dishonoured cheque from credit customer	240
Irrecoverable debts	1 020
Purchases returns	3 785
Sales returns	4 930

Additional information

1. Monika is both a customer and a supplier. A contra entry must be processed to clear the balance owing to Monika of \$175.
2. Akira wishes to increase the provision for doubtful debts to 3% of trade receivables.

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1 4 . 1

Prepare the trade receivables ledger control account at 30 April 2025. Bring any balance down on 1 May 2025.

Dates are **not** required.

[9 marks]

Dr

Trade Receivables Ledger Control Account

Cr

Details	\$	Details	\$

Question 14 continues on the next page

Turn over ►



1 4 . 2 Prepare the sales account for the year ended 30 April 2025.

[3 marks]

Dr

Sales Account

Cr

Date	Details	\$	Date	Details	\$

1 4 . 3 Prepare the provision for doubtful debts account at 30 April 2025. Bring any balance down on 1 May 2025.

[3 marks]

Dr

Provision for Doubtful Debts Account

Cr

Date	Details	\$	Date	Details	\$



Workings _____

Turn over for the next question

Turn over ►



1 5

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Zain has prepared a trading account for the year ended 31 March 2025.
The trading account shows revenue of \$159 590 and gross profit of \$81 630.

The following balances remain in the books of account following the completion of the trading account.

	\$
Equity at 1 April 2024	26 040
Inventory at 31 March 2025	31 650
Bank loan (repayable December 2030)	29 000
Bank overdraft	8 410
Depreciation expense	5 250
Drawings	29 500
General expenses	31 200
Motor expenses	2 070
Motor vehicles – cost	28 000
Motor vehicles – provision for depreciation	12 250
Rent and rates	18 320
Trade payables	9 900
Trade receivables	21 240

Additional information

- Included in rent and rates was rent of \$4 200 for the 3 months ending 30 April 2025.
- The following have not yet been recorded in the books of account:
 - On 31 March 2025, Zain owed general expenses of \$550.
 - On 31 March 2025, Zain transferred \$10 000 cash from his personal savings into the business bank account.



[15 marks]

[illegible]

Workings

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Handwriting practice area with 20 horizontal lines.

Turn over ►



Answer the question in this section.

Rocco has received \$10 000 from a family member. He has paid this into his own personal bank account.

Rocco's bank offers loans, mortgages and overdrafts. He is unsure which of these are suitable sources of finance for his new business.

[12 marks]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

[illegible]

12

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[illegible]