Centre No.					Pape	r Refer	ence			Surname	Initial(s)
Candidate No.			7	0	1	1	/	0	1	Signature	

Paper Reference(s)

7011/01

London Examinations GCE

Accountin	ıg
Ordinary	Level

Thursday 8 January 2009 - Morning

Time: 3 hours

Materials required for examination	Items included with question papers				
Nil	Source booklet				

Instru	ctions	to C	'and	lide	ites
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In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature.

Answer BOTH questions in Section A and ALL questions in Section B.

All calculations must be shown.

Write your answers in the spaces provided in this question paper.

Do not return the insert with the question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 6 questions in this question paper. The total mark for this paper is 200. There are 24 pages in this question paper. Any blank pages are indicated.

Calculators may be used.

The source material for use with questions 1 to 6 is in the enclosed source booklet.

Advice to Candidates

Write your answers neatly and in good English.

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Team Leader's use only

Question Leave

Examiner's use only

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1	
2	
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4	
5	
6	



Total



W850/7011/57570 4/4/4/

SECTION A

Answer BOTH questions in this section

Source material for use with question 1 can be found on pages 2 and 3 of the source booklet.

1. (a) Prepare the ledger accounts in the books of Freda Latte for the month of October 2008, using the information provided in the books of original entry and in the cash book. Balance and total these accounts.

Ledger Accounts October 2008

Leave blank

The state of the s

Trial Balance	Sheet as at 31 O	ctober 2008	
Timi Buidice		2000	



	Name the account used for entering the amount required to balance the triabalance.
	(1
(ii)	What actions can be taken to discover the errors?
	(3

(ii) Vising your own figures, give an example of an error of original entry. (iii) Name two other types of error in the ledger which would not affect agreement of the trial balance.	Using your own figures, give an example of an error of original entry.	
(ii) Name two other types of error in the ledger which would not affect to		
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(ii) Name two other types of error in the ledger which would not affect t		·····(2)
		(2)
(Total 48 mark		

Leave blank

Source material for question 2 can be found on pages 4 and 5 of the source booklet.

From the information provided, prepare for the Partnership:

2. (a) the trading account for spare parts for cars for the year ended 31 December 2008.

Trading Account for the year ended 31 December 2008

(8)



Leave blank

Profit and Loss Account for the year ended 3	31 December 2008		



Profit and Loss Appropria	ation Account for the year ended 31 December 2008

Partners' Current Accounts at 31 l	December 2008
Partners' Current Accounts at 31 1	December 2008

H 3 3 1 9 5 A 0 1 1 2 4

(8)

(e) the balance sheet at 31 December 2008.

Note: In the balance sheet do not show details of the current accounts, but include only the balances of the current accounts at 31 December 2008.

Balance Sheet at 31 December 2008

	Leave blank
(16)	Q2
(Total 48 marks)	
TOTAL FOR SECTION A: 96 MARKS	

Leave blank

SECTION B

Answer ALL questions in this section

Source material for use with question 3 can be found on pages 6 and 7 of the source booklet.

(
,	(a) Showing your workings, calculate for both 2007 and 2008 (to two decimal places):
	(i) the return on capital employed;
	Return on Capital Employed
	(6)
	(ii) the current ratio.
	(ii) the current ratio.

(4)

Leave blank

hammed believes that the financial performance of his business is better in 2008 than vas in 2007.		
	Evaluate his claim, making equal reference in your answer to his profitability and liquidity .	
	(8)	

(c)	Evaluate the benefits to small businesses of using computerised accounting packages.
	(8) (Total 26 marks)



(a)	Write entries in Sam's journal to correct errors (i), (ii), (iii) and (iv).
(u)	visite entities in sum a journal to correct errors (1), (11), (11) und (11).

(12)



,
Name the accounting concept which Sally is failing to observe in each of (i) to (v). Itate what Sally should have done in each case.
(4)

Leave blank

Source material for use with question 5 can be found on page 9 of the source booklet.

5. (a) Draw up the subscriptions account for the year and balance it at 31 December 2008. (There is no need to bring the balances down to begin the next period).

Subscriptions Account

(7)



day-trip				
Incon	e and Expenditure A	ccount for year	ended 31 Decemb	per 2008



State the meaning of the entries dated: (i) 9 July (cheque); 9 July (cheque) (ii) 9 July (discount); 9 July (discount)
9 July (cheque) (ii) 9 July (discount);
(ii) 9 July (discount);
(iii) 10 July;
10 July

		Leave blank
(iv) 11 July;	11 July	
(v) 28 July;		
	28 July	
(vi) 31 July.	31 July	
	•	
	(12)	

Leave
blank

(b)	Re-write Marina Swansea Ltd's account using the running balance format. Use correct
	narrations.

Date	Item	Debit	Credit	Balance
		£	£	£

(12)

Name one advantage of setting out accounts in the running balance format.
(2)

Q6

(Total 26 marks)

TOTAL FOR SECTION B: 104 MARKS

TOTAL FOR PAPER: 200 MARKS

END