Pearson Edexcel International Advanced Level

Tuesday 5 May 2026

Morning (Time: 3 hours)

Paper reference **WAC11/01A**

Accounting

International Advanced Subsidiary

UNIT 1: The Accounting System and Costing

Question Paper

You must have:
Source Booklet and Answer Book (sent separately).

Turn over

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P 8 7 8 8 2 A

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SECTION A

Answer BOTH questions in this section.

Source material for Question 1 is on pages 2 and 3 of the Source Booklet.

1 (a) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 April 2026.

(22)

(b) Prepare the Statement of Financial Position at 30 April 2026.

(21)

Solar-lec has, for the last five years, purchased its solar panels from an established overseas supplier who charges £120 per panel plus £10 per panel carriage. Solar-lec has been approached by a newly established local supplier who will supply the solar panels at £125 per panel with no charge for carriage.

(c) Evaluate whether Solar-lec should purchase the solar panels from the existing overseas supplier or the new local supplier.

(12)

(Total for Question 1 = 55 marks)

Source material for Question 2 is on pages 4 and 5 of the Source Booklet.

2 (a) Calculate the following.

(i) Drawings made in the year by Andreas and by Christos.

(2)

(ii) Percentage interest being paid per annum on capital.

(2)

(iii) Sharing ratio of profit or loss.

(1)

(b) Prepare, for the year ended 30 April 2026, for **each** partner, the following.

(i) Capital Accounts of Andreas and Christos.

(4)

(ii) Current Accounts of Andreas and Christos.

(6)

Andreas and Christos took out a bank loan for £50 000 on 1 May 2024. The terms of the loan were that repayment will be made by five equal instalments of £10 000 each year commencing 1 May 2025.

(c) Prepare, for the year ended 30 April 2026, the 5% Bank Loan Account.

(4)

Andreas and Christos maintain control accounts as a checking device and to calculate the total of the trade payables ledger when preparing financial statements.

The following balances were available for the month of April 2026.

	£
Trade Payables Ledger Control Account	
Balance 1 April 2026	18 650
Purchases on credit	70 900
Purchases for cash	27 500
Payments to credit suppliers	60 850
Discount received	1 800
Interest charged on overdue supplier accounts	750
Purchase returns	3 400
Refunds received	2 100
Contra entries	9 650

(d) Prepare the Trade Payables Ledger Control Account for the month ended 30 April 2026.

(10)

Other payables were:

- Five workers were **each** owed wages for weekend working of 10 hours at £8 per hour.
- The Electricity and Water Account had two closing balances. A debit balance of £430 for electricity and a credit balance of £220 for water.

(e) Calculate the total other payables at 30 April 2026.

(4)

(f) Prepare the Capital and Liabilities section as it would be recorded in the Statement of Financial Position at 30 April 2026.

(10)

Andreas and Christos have used Information Communication Technology (ICT) to prepare the business double entry records for the last two years. Their use of the accounting software is limited to maintaining the double entry records, issuing statements to the customers and extracting a trial balance at the end of an accounting period.

All other accounting records and statements are prepared manually.

Daily access to the accounting software is by a single password used by the partners and all the finance team who have unlimited access to view and amend all software records including client information.

(g) Evaluate the use of Information Communication Technology (ICT) by Andreas and Christos.

(12)

(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

SECTION B

Answer THREE questions from this section.

Source material for Question 3 is on pages 6 and 7 of the Source Booklet.

3 (a) Prepare the Journal entries to correct the errors (1) to (5).
Narratives are **not** required.

(10)

(b) Complete the corrected trial balance in the Answer Book following the correction of the **errors in drafting** and **in the double entry**.

(14)

Assam is considering whether to increase the cash discount that he allows from 3% for payment in 30 days to 5% for payment within 20 days.

(c) Evaluate whether Assam should increase the cash discount that he allows from 3% to 5%.

(6)

(Total for Question 3 = 30 marks)

Source material for Question 4 is on page 8 of the Source Booklet.

4 (a) Explain the accounting concept of **business entity.**

(2)

(b) Calculate the:

(i) capital on 1 May 2025

(1)

(ii) **number of pairs of trainers** stolen from the market stall during the year ended 30 April 2026

(3)

(iii) trade payables balance at 30 April 2026

(3)

(iv) bank balance on 30 April 2026.

(4)

(c) Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 April 2026.

(11)

A friend has suggested that Cindy should sell her trainers online using her own internet website instead of selling the trainers on her market stall.

(d) Evaluate whether Cindy should sell her trainers online using her own internet website or continue to sell the trainers on her market stall.

(6)

(Total for Question 4 = 30 marks)

Source material for Question 5 is on page 9 of the Source Booklet.

5 (a) Explain the meaning of the following accounting terms:

(i) Semi-fixed cost

(2)

(ii) Service department.

(2)

(b) Calculate the total overhead cost of operating the Workshop and the Spray shop after re-apportioning the cost of the Administration department.

(8)

(c) Calculate the overhead recovery rate per hour to be charged to customers for vehicle repairs in the following:

(i) Workshop

(2)

(ii) Spray shop.

(2)

Molly has damage to her car. The car parts for the repair will cost £160, workshop time will be 10 hours and spray shop time will be four hours. Phil's Garage expects a profit margin of 20% from each job undertaken.

(d) Prepare the quotation for Molly showing the price that she will be required to pay for the work.

(4)

During the year ended 30 April 2026, Phil's Garage completed 6 700 hours of workshop time and 3 800 hours of spray shop time, which were charged directly to customers.

The actual overheads of the business were £60 000 for the year.

(e) Calculate the **total over recovery or under recovery of overheads** for Phil's Garage for the year ended 30 April 2026.

(4)

A friend has advised Phil that he should stop using an hourly overhead recovery rate and instead charge customers a fixed £100 in overheads on each job undertaken.

(f) Evaluate whether Phil should continue to use an hourly overhead recovery rate or whether he should charge a fixed £100 on each job undertaken.

(6)

(Total for Question 5 = 30 marks)

Source material for Question 6 is on page 10 of the Source Booklet.

6 (a) Calculate at 30 April 2026 the:

(i) value of the trade payables

(2)

(ii) current ratio

(2)

(iii) working capital

(2)

(iv) inventory turnover

(2)

(v) gross profit as a percentage of revenue (sales)

(2)

(vi) value of the 10% bank loan

(2)

(vii) trade receivables collection period (days)

(2)

(viii) percentage return on capital employed.

(2)

A friend has said that Zara needs to improve her credit control.

(b) Explain what is meant by **credit control**.

(2)

(c) Explain **three** credit control actions that Zara might take and the possible improvement in controlling credit that may follow.

(6)

The friend has also been able to research some sector average data for Zara's business.

Ratio	**Sector average**
Current ratio	1.5:1
Inventory turnover per annum	5 times
Gross profit as a percentage of revenue (sales)	16%
Trade receivables collection period (days)	35 days

(d) Evaluate the liquidity of Zara's business on 30 April 2026.

(6)

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 MARKS

Pearson Edexcel International Advanced Level

Tuesday 5 May 2026

Morning (Time: 3 hours)

Paper reference **WAC11/01A**

Accounting

International Advanced Subsidiary

UNIT 1: The Accounting System and Costing

Source Booklet

Do not return this Booklet with the Answer Book.

Turn over ▶

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SECTION A

Answer BOTH questions in this section.

1 Solar-lec is a business that supplies and installs solar panels to customers' homes to generate electricity from the sun.

The following balances were recorded in the books of account on 30 April 2026.

	£
8% bank loan	40 000
Allowance for irrecoverable debts	3 000
Bank loan interest paid	2 400
Capital	75 000
Carriage inwards	25 500
Cash and bank	28 750 Dr
Discount received	9 800
Drawings	25 000
Gas and electricity	11 250
Insurance	7 200
Inventory	28 000
Irrecoverable debt	14 100
Management salaries	56 000
Marketing costs	26 800
Motor vehicle running costs	30 900
Non-current assets (at cost)	
Premises	72 000
Motor vehicles	40 000
Fixtures and fittings	16 000
Provisions for depreciation – 1 May 2025	
Premises	18 000
Motor vehicles	16 000
Fixtures and fittings	5 000
Purchase of materials	310 000
Repair to premises	9 600
Revenue	680 000
Sundry expenses	16 300
Trade payables	32 500
Trade receivables	51 900
Wages	107 600

Additional information at 30 April 2026

(1) Inventory £31 500

(2) During the year, Solar-lec installed solar panels onto the roof of its own premises using materials purchased for £5 000. Wages also included the sum of £3 000 for installing the panels. It was decided to treat the installation as a capital expenditure for the premises. This installation had not been recorded in the books of account.

(3) The 8% bank loan was taken out on 1 May 2025. The bank loan is repayable by four equal instalments on 1 May each year, starting on 1 May 2026.

(4) Marketing costs of £5 700 were paid in advance.

(5) Gas of £400 was prepaid and electricity of £750 was owed.

(6) Depreciation is charged on all non-current assets owned at the end of the year.

- Premises at the rate of 2% per annum on cost.
- Motor vehicles at the rate of 20% per annum using the reducing balance method.
- Fixtures and fittings at the rate of 10% per annum using the straight-line method.

(7) A debt of £3 900 is considered irrecoverable. The allowance for irrecoverable debts is to be maintained at 3% of remaining debts.

(8) Some of the installations for customers were carried out using a part that may fail and may need to be replaced. It was therefore decided to create a provision for replacement work to be carried out. It was estimated that this could be £15 000 in the next financial year and a further £10 000 in the year after that.

2 Andreas and Christos are in partnership. They are preparing the capital and liabilities section of the Statement of Financial Position at 30 April 2026.

Their partnership agreement states that:

- Interest will be charged at the rate of 6% on drawings balances at the end of each financial year.
- Interest will be paid on capital balances at the end of each financial year.
- Profits and losses will be recorded at the agreed sharing ratio.

On 1 May 2025, the following balances were in the book of accounts.

		£
Capital Accounts –	Andreas	30 000
	Christos	50 000
Current Accounts –	Andreas	2 000 Dr
	Christos	500 Cr

During the year, the following changes took place in the capital accounts.

1 September 2025 Andreas introduced additional capital of £40 000 by cheque.

1 September 2025 Christos withdrew capital of £20 000 by cheque.

At the end of the financial year on 30 April 2026, the Statement of Profit or Loss and Other Comprehensive Income together with an Appropriation Account was prepared.

The Appropriation Account is shown below.

Andreas and Christos

Appropriation Account for the year ended 30 April 2026

	Andreas	Christos	Total
	£	£	£
Profit for the year			16 630
Plus			
Interest on drawings	900	270	1 170
Less			
Interest on capital	(4 900)	(2 100)	(7 000)
			10 800
Share of profit	9 000	1 800	10 800
			10 800

SECTION B

Answer THREE questions from this section.

3 The following draft trial balance was prepared for the business of Assam on 30 April 2026. The draft trial balance was prepared by an inexperienced bookkeeper and contains **errors in drafting** the trial balance and **errors made in the double entry** posting.

Assam

Trial balance at 30 April 2026

	Dr	Cr
	£	£
Allowance for irrecoverable debts	400	
Bank overdraft	1 950	
Capital		50 000
Discount allowed	4 480	
Discount received		1 450
General expenses	23 650	
Inventory 1 May 2025	9 100	
Non-current assets – at cost	36 000	
Non-current assets – provision for depreciation		15 000
Purchase returns	3 050	
Purchases	42 000	
Rent	15 000	
Revenue		83 600
Trade payables	7 350	
Trade receivables		8 770
Wages and salaries	31 000	
	173 980	158 820

The following errors of double entry were found in the books of account:

(1) New non-current assets costing £4 000 had been posted to the Purchases Account.

(2) Wages of £800 had been paid by cheque and correctly recorded in the Wages and Salaries Account but **no** other entry had been made for the wages of £800

(3) Goods purchased on credit from a supplier, Gambi, valued at £700 were returned, but **no** entries have been made in the books of account to record the return.

(4) Goods sold on credit to a customer, Yee and Co, for £3 200 had been debited to both the Revenue Account and to Yee and Co's account.

(5) Discount allowed of 3% on a debt of £4 000 paid by a customer, Aman, had been calculated and recorded in the books of account as £1 200

4 Cindy is a trader selling sports trainers at local markets in her area. She does **not** complete full books of account.

On 1 May 2025, she had the following business assets and liabilities.

	£	
Bank	900 Dr	
Inventory	1 500	(50 pairs of trainers costing £30 per pair)
Trade payable	3 200	
Motor van	8 000	
Fixtures and fittings	2 500	

During the year ended 30 April 2026, the following summarised transactions occurred.

(1) 2 000 pairs of trainers were purchased on credit for £30 per pair. 150 pairs of trainers were returned to the supplier with defects and a full refund was given.

(2) Cindy made sales of 1 700 pairs of trainers during the year at £50 per pair for cash.

(3) Cindy realised that there had been some theft of pairs of trainers from her market stall during the year.

(4) An inventory count on 30 April 2026 recorded 120 pairs of trainers.

(5) Payments of £53 200 were made to the suppliers of the trainers in the year ended 30 April 2026 by bank transfer and a cash discount of £1 400 was allowed by the suppliers for prompt payment.

(6) The motor van is used as transport to local markets. The fuel and maintenance paid by cheque for the year was £5 000, of which £150 was prepaid at the end of the year.

(7) On 30 April 2026, the motor van was estimated to be worth £7 200 and the fixtures and fittings were estimated to be worth £2 100

(8) Cindy attends three market days per week for 50 weeks of the year. Each week, before banking her market takings, Cindy deducts:

- Rent of the market stall at £30 per day.
- Wages for an assistant of £70 per day.
- Sundry expenses of £80 per week.
- Drawings at the rate of £100 per week.

(9) Cindy banks the remainder of her takings at the end of each week that she trades.

5 Phil's Garage repairs cars that have been damaged in road traffic accidents. It has three departments: Workshop, Spray shop and Administration.

Phil calculated the overhead recovery rates for the year ended 30 April 2026.

The forecast overhead costs for operating his business for that year were:

	£
Premises costs	24 000
Employment costs	20 000
Equipment depreciation	8 000
Other operating costs	8 000
Total	**60 000**

The following additional information was available to calculate the rates

(1) Data about Phil's Garage

	Workshop	**Spray shop**	**Administration**
Employees (number)	5	3	2
Floor area (sqm)	800	300	100
Equipment value (£'000)	10	20	10
Other operating costs (%)	50	25	25
Use of administration (%)	80	20	–

(2) All employees work 40 hours per week for 50 weeks of the year. Wages are paid at the following rates.

Workshop	£5	per hour
Spray shop	£7	per hour
Administration	£150	per week

(3) Percentages of staff members' working time that can be charged directly to customer's jobs were estimated to be:

Workshop	70%
Spray shop	60%

6 The following were the balances remaining in the books of Zara at 30 April 2026 after the preparation of her financial statements.

	£
10% bank loan (repayable 2030)	**To be calculated**
Bank overdraft	6 000
Capital	10 000
Inventory	12 000
Non-current assets (carrying value)	47 000
Loss for the year	1 000
Trade payables	**To be calculated**
Trade receivables	25 000

Additional information

(1) The trade payables on 1 May 2025 were £20 000

(2) Trade payables were paid £48 000 by cheque.

(3) Purchases for the year were £60 000 of which 75% were on credit.

(4) Revenue (sales) for the year were £80 000 of which all were on credit.

(5) Inventory at 1 May 2025 of £16 000

(6) The 10% bank loan was taken out on 1 May 2025.

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number

Candidate Number

Pearson Edexcel International Advanced Level

Tuesday 5 May 2026

Morning (Time: 3 hours)

Paper reference **WAC11/01A**

Accounting

International Advanced Subsidiary
UNIT 1: The Accounting System and Costing
Answer Book

You must have:
Source Booklet and Question Paper (sent separately).

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 **both** questions in Section A and **three** questions from Section B.
- All calculations must be shown.
- Answer the questions in the spaces provided – *there may be more space than you need*.
- Do not return the Source Booklet or the Question paper with the Answer Book.

Information

- The total mark for this paper is 200.
- 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.
- The source material for use with Questions 1 to 6 is in the enclosed Source Booklet.

Advice

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

Turn over

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SECTION A

Answer BOTH questions in this section.

Source material for Question 1 is on pages 2 and 3 of the Source Booklet.

1 (a)

(22)

(b)

(21)

(c)

(12)

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(Total for Question 1 = 55 marks)

Source material for Question 2 is on pages 4 and 5 of the Source Booklet.

2 (a) (i)

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(Total for Question 2 = 55 marks)

TOTAL FOR SECTION A = 110 MARKS

SECTION B

Answer THREE questions from this section.

Indicate which question you are answering by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new question with a cross ☒.

If you answer Question 3, put a cross in the box ☒ .

Source material for Question 3 is on pages 6 and 7 of the Source Booklet.

3 (a)

(10)

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QUESTION 3 CONTINUES ON THE NEXT PAGE.

(b)

(14)

Assam

Trial balance at 30 April 2026

	Dr	Cr
	£	**£**
Allowance for irrecoverable debts		
Bank overdraft		
Capital		
Discount allowed		
Discount received		
Expenses		
Inventory 1 May 2025		
Non-current assets – at cost		
Non-current assets provision for depreciation		
Purchase returns		
Purchases		
Rent		
Revenue		
Trade payables		
Trade receivables		
Wages and salaries		

Workings

(c)

(6)

(Total for Question 3 = 30 marks)

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QUESTION 4 BEGINS ON THE NEXT PAGE.

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If you answer Question 4, put a cross in the box ☒ .

Source material for Question 4 is on page 8 of the Source Booklet.

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(b) (i)

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(c)

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(d)

(6)

(Total for Question 4 = 30 marks)

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QUESTION 5 BEGINS ON THE NEXT PAGE.

If you answer Question 5, put a cross in the box ☒ .

Source material for Question 5 is on page 9 of the Source Booklet.

5 (a) (i)

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(e)

(4)

(f)

(6)

(Total for Question 5 = 30 marks)

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QUESTION 6 BEGINS ON THE NEXT PAGE.

If you answer Question 6, put a cross in the box ☒ .

Source material for Question 6 is on page 10 of the Source Booklet.

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(d)

(6)

(Total for Question 6 = 30 marks)

TOTAL FOR SECTION B = 90 MARKS
TOTAL FOR PAPER = 200 MARKS

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