LRN International GCSE: Accounting (7163)

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 2: Accounting   **For Examination December 2023**

(1 Hour 30 Minutes)

It is necessary to respond on the answer sheets provided alongside this question paper. Additionally, you must have a soft pencil (preferably of type B or HB), a clean eraser and a dark blue or black pen.

INSTRUCTIONS:
- You must write your name, candidate number, centre name and centre number on the answer sheets in the designated spaces.
- Attempt all the questions required using a dark blue or black pen.
- It is important to follow the instructions provided on the answer sheets.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

The total number of **marks for this paper is 50.** The number of marks assigned for every question or its parts is indicated within brackets [ ]

Section A: Structured Questions

(1a) Describe the meaning of recovery of debts written off.

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(1 mark)

2a) Summarise the requirement of provision for irrecoverable debts.

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(1 mark)

3a) Differentiate between the provision for irrecoverable debts and irrecoverable debts.

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(1 mark)

4a) Explain the strengths and limitations of books of prime entry and post ledger entries from them.

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(1 mark)

5a) Describe the purpose of cash receipt.

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(1 mark)

6a) Summarise the strengths and limitations of the imprest system of petty cash.

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(1 mark)

7a) Explain the process of adjusting profit and loss after correction of errors through main techniques.

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(1 mark)

8a) Explain the consequences of error correction on trial balances and statement of financial position.

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(1 mark)

9a) Explain the significance of a trial balance?

(1 mark)

10a) Outline **two** advantages of a trial balance?

(2 marks)

11a) Outline **two** disadvantages of a trial balance?

(2 marks)

12a) Compare the objectives of ledger **and** sales ledger control accounts.

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(2 marks)

13a) Explain how correction of errors are made by the following methods: (i) suspense accounts, **and** (ii) journal entries.

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(4 marks)

14a) Outline **two** advantages of entering into a partnership arrangement.

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(2 marks)

15a) Outline **two** disadvantages of entering into a partnership arrangement.

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(2 marks)

16a) Summarise the purpose of a partnership agreement.

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(1 mark)

17a) Outline two objectives of an appropriation account.

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(2 marks)

18a) Explain the concept of limited liability.

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(1 mark)

19a) Compare the difference between capital and current accounts.

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(2 marks)

20a) Outline **two** advantages of opening a limited company.

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(2 marks)

21a) Outline **two** disadvantages of opening a limited company.

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(2 marks)

22a) Explain equity?

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(2 marks)

23a) Summarise the components of a limited company`s capital structure.

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(2 marks)

24a) Explain the purpose of an accumulated fund.

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(2 marks)

25a) Outline the difference between the following types of costs: (i) direct, and (ii) indirect.

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(2 marks)

26a) Describe strategies to improve working capital and profitability.

(2 marks)

27a) Summarise the causes and consequences of limitations of accounting information.

(3 marks)

28a) Explain a problem with inter firm comparisons.

(1 mark)

29a) Explain the purpose of the following: (i) current ratio, and (ii) return of capital employed.

(2 marks)

30a) Explain the significance of accounting for investors.

(1 mark)