

Mark Scheme Final

January 2016

Pearson Edexcel International GCSE
Accounting (4AC0) Paper 01

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

- *Correct figure/own figure*

Section A

Question Number	Answer	Mark
1	D	(1)

Question Number	Answer	Mark
2	B	(1)

Question Number	Answer	Mark
3	C	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	A	(1)

Question Number	Answer	Mark
6	B	(1)

Question Number	Answer	Mark
7	D	(1)

Question Number	Answer	Mark
8	D	(1)

Question Number	Answer	Mark
9	C	(1)

Question Number	Answer	Mark
10	B	(1)

Section B

Question Number	Answer	Mark
11 (a)	Bank Statement, Cheque stub or Paying in slip (1) (Petty cash) voucher(1) Invoice (1) Credit note (1)	(4)

Question Number	Answer	Mark																																				
11 (b)	<p style="text-align: center;">C Jay Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Narration</th> <th>(£)</th> <th>Date</th> <th>Narration</th> <th>(£)</th> </tr> </thead> <tbody> <tr> <td>Oct 15</td> <td>Purchases returns book</td> <td>73 (1)</td> <td>Oct 1</td> <td>Balance b/d</td> <td>686 (1)</td> </tr> <tr> <td>Oct 21</td> <td>Cash book</td> <td>686 (1)</td> <td>Oct 2</td> <td>Purchases book</td> <td>320 (1)</td> </tr> <tr> <td>Oct 31</td> <td>Balance c/d</td> <td>741</td> <td>Oct 9</td> <td>Purchases book</td> <td>494 (1)</td> </tr> <tr> <td></td> <td></td> <td><u>1 500</u></td> <td></td> <td></td> <td><u>1 500</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Nov 1</td> <td>Balance b/d</td> <td>741 (1of)</td> </tr> </tbody> </table>	Date	Narration	(£)	Date	Narration	(£)	Oct 15	Purchases returns book	73 (1)	Oct 1	Balance b/d	686 (1)	Oct 21	Cash book	686 (1)	Oct 2	Purchases book	320 (1)	Oct 31	Balance c/d	741	Oct 9	Purchases book	494 (1)			<u>1 500</u>			<u>1 500</u>				Nov 1	Balance b/d	741 (1of)	(6)
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Question Number	Answer	Mark
11 (e)	<p>Award up to (2) marks for comments on the liquidity position of the business of each ratio, ie 2 x 2.</p> <p>Marks can be awarded for suggested strategies on how to improve their liquidity position.</p> <p>Award (1) mark for a relevant concluding statement.</p> <p>Sample answer</p> <p>An analysis of the two ratios indicates that Robin is taking longer to receive his payments from his debtors (1) than the time taken to pay his creditors (1).</p> <p>There is a risk that some of his debts might become irrecoverable (1) or he may have less cash available to pay his short term debts (1) if this situation continues.</p> <p>Robin could consider offering some sort of incentive to encourage his debtors to pay more promptly (1) such as a cash discount.</p>	(5)

Question Number	Answer				Mark
12 (a)	Pip Trading and profit and loss account For year ended 31 December 2015				
		£	£	£	
	Sales			487 600	(1)
	Cost of sales				
	Opening stock		45 000		
	Purchases	324 897			(1)
	Returns outwards	(12 579)			(1)
	Stock drawings	(3 290)			(1)
	Carriage inwards	<u>12 318</u>			(1)
			<u>321</u> <u>346</u>		
			366 346		
	Closing stock		<u>56</u> <u>346</u>		
	Cost of goods sold			<u>310</u> <u>000</u>	(1 of)
	Gross Profit			177 600	(1 of)
	Running expenses				
	Bad debts		3 200		(1)
	Business rates (4 650 + 500)		5 150		(2)
	Carriage outwards		28 663		(1)
	General expenses		23 897		(1)
	Insurance (4 322 – 322)		4 000		(2)
	Motor expenses (27 690 – 12 000)		15 690		(2)
	Depreciation - FF		2 000		(1)
	Depreciation – MV (30 000 + 12 000) (1) - 10 000 x 25% (1)		8 000		(2)
				<u>90 600</u>	
	Net profit			<u>87 000</u>	(1 of)
					(20)

Question Number	Answer	Mark
12 (b)	<p>Award up to 2 marks for comments relative to the application of the accruals concept in respect of item 4.</p> <p>Award up to 2 marks for comments relative to the application of the business entity concept in respect of item 5.</p> <p>Award 1 mark for a concluding statement</p> <p>Sample answer</p> <p>It was necessary to adjust business rates and insurance in order to comply with the accruals concept (1). These adjustments ensure that the business' profits are not understated or overstated (1).</p> <p>It was necessary to adjust the purchases figure by the amount of stock withdrawn by the owner of the business in order to comply with the business entity concept (1). This adjustment ensures that the correct purchases figure is shown in the trading thus ensuring that a correct gross profit figure is shown (1).</p> <p>All of these adjustments also ensure that the balance sheet of the business shows a true and fair view of the business' assets and liabilities (1).</p>	(5)

Question Number	Answer	Mark
13 (a)	<p>Omission (1)</p> <p>Original entry (1)</p> <p>Commission (1)</p>	(3)

Question Number	Answer	Mark	
13 (b)			
		Debit £	Credit £
	Z Malik Sales	350(1)	350(1)
	L Payne Bank	54 (1)	54 (1)
	R Charles R Charters	732 (1)	732 (1)
	Award mark only for correct account name and amount		(6)

Question Number	Answer	Mark
13 (c)	<p>Award 1 mark for any acceptable use of the journal.</p> <p>Sample responses:</p> <p>Sale or purchase of fixed assets on credit (1)</p> <p>Writing off bad debts (1)</p> <p>Opening entries (1)</p>	(1)

Question Number	Answer	Mark																														
14 (a)	<p style="text-align: center;">Trial balance at 1 August 2014</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Debit</th> <th style="width: 20%; text-align: center;">Credit</th> </tr> </thead> <tbody> <tr> <td>Climbing equipment at valuation</td> <td style="text-align: center;">5 000 (1)</td> <td></td> </tr> <tr> <td>Members subscriptions in advance</td> <td></td> <td style="text-align: center;">240 (1)</td> </tr> <tr> <td>Members subscriptions in arrears</td> <td style="text-align: center;">75 (1)</td> <td></td> </tr> <tr> <td>Stock of refreshments</td> <td style="text-align: center;">1 560 (1)</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: center;">216 (1)</td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td></td> <td style="text-align: center;">841 (1)</td> </tr> <tr> <td>Clubhouse rent in advance</td> <td style="text-align: center;">230(1)</td> <td></td> </tr> <tr> <td>Accumulated fund</td> <td></td> <td style="text-align: center;">6 000(1of)</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>7 081</u></td> <td style="text-align: center;"><u>7 081(1of)</u></td> </tr> </tbody> </table>		Debit	Credit	Climbing equipment at valuation	5 000 (1)		Members subscriptions in advance		240 (1)	Members subscriptions in arrears	75 (1)		Stock of refreshments	1 560 (1)		Cash in hand	216 (1)		Bank overdraft		841 (1)	Clubhouse rent in advance	230(1)		Accumulated fund		6 000(1of)		<u>7 081</u>	<u>7 081(1of)</u>	(9)
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