PLATINUM
BUSINESS ACADEMY
0777898626

Pearson
Edexcel

Mark Scheme (Results)

January 2019

Pearson Edexcel International GCSE
In Accounting (4AC0)

Paper 1

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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.

Section A: multiple choice

Question Number	Answer	Mark
1	C Account to be debited – cash Account to be credited - sales	**(1)**
Question Number	Answer	Mark
2	B Journal	**(1)**
Question Number	Answer	Mark
3	B Interest charged	**(1)**
Question Number	Answer	Mark
4	B Business entity	**(1)**
Question Number	Answer	Mark
5	D Principle	**(1)**
Question Number	Answer	Mark
6	D Standing order	**(1)**
Question Number	Answer	Mark
7	B Receipts and payments account	**(1)**
Question Number	Answer	Mark
8	B $2 040	**(1)**
Question Number	Answer	Mark
9	B $223 200	**(1)**
Question Number	Answer	Mark
10	D Trading account	**(1)**

Question Number	Answer	Mark
11(a)	**Award marks as indicated**	**(12)**

Transaction	**Source document**	**Book of original entry**	**Account to be debited**	**Account to be credited**
Sold goods on credit to E Paige	Sales invoice **(1)**	Sales (day) book **(1)**	E Paige **(1)**	Sales **(1)**
Returned goods to T Williams, a credit supplier	Credit note **(1)**	Purchase returns (day) book **(1)**	T Williams **(1)**	Purchase returns **(1)**
Purchased fixtures and fittings on credit from Fixashop	Purchase invoice **(1)**	Journal **(1)**	Fixtures and fittings **(1)**	Fixashop **(1)**

Question Number	Answer	Mark
11(b)	**Award marks for correct amounts as indicated.** **Award 1 mark for ALL correct dates and narratives**	**(8)**

Sales ledger control account

Date	**Narrative**	**£**	**Date**	**Narrative**	**£**
Nov 1	Balance b/d	24 100 **(1)**	Nov 30	Cash book	122 900 **(1)**
Nov 30	Sales day book	132 789**(1)**		Cash book	876 **(1)**
				Journal/bad debts	600 **(1)**
				Sales returns day book	5 213 **(1)**
				Balance c/d	27 300
		156 889			156 889
Dec 1	Balance b/d	27300**(1of)**			

(Total for Question 11 = 20 marks)

estion mber	Mark	
a)	**Award marks as indicated**	**(10)**

Petty Cash Book

Receipts	**Date Nov**	**Details**	**Voucher No**	**Total**	**Postage and Stationery**	**Travel**	**Ledger Accounts**
£				**£**	**£**	**£**	**£**
166 **(1)**	1	Balance b/d					
84 **(1)**	1	Cash book					
	1	Interviewee travel	46	15 **(1)**		15	
	6	Postage stamps	47	12.50 **(1)**	12.50		
	10	Jones	48	26 **(1)**			26
	14	Taxi Fare	49	21 **(1)**		21	
	22	Paper	50	35.50 **(1)**	35.50		
	30	Peters	51	27 **(1)**			27
				137 **(1of)**	48	36	53
	30	Balance c/d		113			
250				250			
113 **(1of)**	Dec 1	Balance b/d					

<table>
<tr><th>Question Number</th><th>Mark</th><th></th></tr>
<tr><td>12 (b)</td><td>Award marks for correct amounts as indicated.
Award 1 mark for ALL correct dates and narratives

Travel Account
<table>
<tr><th>Date</th><th>Narrative</th><th>£</th><th>Date</th><th>Narrative</th><th>£</th></tr>
<tr><td>Nov 1</td><td>Balance b/d</td><td>28
(1)</td><td>Nov 30</td><td>Balance c/d</td><td>64</td></tr>
<tr><td>Nov 30</td><td>Petty cash book</td><td>36
(1 of)</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>64</td><td></td><td></td><td>64</td></tr>
<tr><td>Dec 1</td><td>Balance b/d</td><td>64
(1of)</td><td></td><td></td><td></td></tr>
</table></td><td>(4)</td></tr>
</table>

Question Number	Mark	
12 (c)	**Award mark as indicated** Current assets (**1**)	**(1)**

(Total for Question 12 = 15 marks)

Question Number	Mark	
13 (a) (i)	**Award marks for correct amounts as indicated.** **Award 1 mark for ALL correct dates and narratives**	

Rent and Rates Account

Date	**Narrative**	**£**	**Date**	**Narrative**	**£**
Aug 1	Balance b/d	350 **(1)**	Aug 1	Balance b/d	250 **(1)**
	Cash book	1 800 **(1 all 4)**	Jul 31	Income Statement	7 720 **(1of)**
Oct 1	Cash book	1 600		Balance c/d	180
Feb 1	Cash book	2000			
Apr 1	Cash book	2 200			
Jul 31	Balance c/d	200			
		8 150			8 150
Aug 1	Balance b/d	180 **(1)**	Aug 1	Balance b/d	200 **(1)**

(7)

Question Number	Mark	
13 (a) (ii)	**Award marks for correct amounts as indicated.** **Award 1 mark for ALL correct dates and narratives**	

Rent Received Account

Date	**Narrative**	**£**	**Date**	**Narrative**	**£**
Jul 31	Income statement	1 050 **(1)**	Aug 1	Balance b/d	150 **(1)**
	Balance c/d	200	Sep 1	Cash book	850 **(1 for both)**
			Mar 1	Cash book	250
		1 250			1 250
			Aug 1	Balance b/d	200 **(1)**

(4)

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Question Number	Mark	
13 (b)	**Award 1 mark for identification of the accruals concept and up to 2 marks for the application of this to the scenario.** **Sample answer** Ciao has applied the accruals concept **(1)** as he has accounted correctly for the rent received which relates to that financial year **(1)** with any balances for the previous year and the next year being excluded **(1)**	**(3)**

(Total for Question 13 = 15 marks)

Question Number	Mark	
14 (a)	**Award marks as indicated**	

Stylos and Kristos
Profit and loss, and Appropriation account
For the year ended 30 November 2018

	£	**£**
Gross profit		109 150 **(1)**
Expenses		
Wages and salaries **W1**	29 300 **(2)**	
Provision for doubtful debts	1 450 **(1)**	
Depreciation charge **W2**	6 000 **(2)**	
Rent rates and insurance	16 800 **(1)**	
		53 550
Profit for the year		55 600**(1of)**
Appropriations		
Interest on capital: Stylos Kristos	 4 800 2 800 **(1)**	
Salary Stylos	8 000 **(1)**	
		15 600
Residual profit		40 000 **(1of)**
Share of profits: Stylos Kristos	30 000**(1of)** 10 000 **(1of)**	
		40 000

W1 26 500 **(1)** + 2 800 **(1)** = 29300
W2 36 000 **(1)** – 6000 (1) x 20% = 6 000

(13)

<table>
<tr><th>Question Number</th><th>Mark</th><th></th></tr>
<tr><td>14 (b)</td><td>Award marks for correct amounts as indicated.
Award 1 mark for ALL correct dates and narratives

Current Account - Stylos

<table>
<tr><th>Date</th><th>Narrative</th><th>£</th><th>Date</th><th>Narrative</th><th>£</th></tr>
<tr><td>Nov 30</td><td>Drawings</td><td>12000(1)</td><td>Dec 1</td><td>Balance b/f</td><td>13 750 (1)</td></tr>
<tr><td></td><td>Balance c/d</td><td>44 550</td><td>Nov 30</td><td>Salary</td><td>8 000 (1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Interest on capital</td><td>4 800 (1of)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Share of profits</td><td>30000(1of)</td></tr>
<tr><td></td><td></td><td>56 550</td><td></td><td></td><td>56 550</td></tr>
<tr><td></td><td></td><td></td><td>Dec 1</td><td>Balance b/d</td><td>44550(1of)</td></tr>
</table></td><td>(7)</td></tr>
</table>

Question Number		Mark
14 (c)	**Award up to 2 marks for advantages of this proposal, a further 2 marks for any disadvantages** **Award (1) mark for a conclusion.** **Sample response** **Advantages** Both partners will become shareholders of the business and as such will have **limited liability** which means that the extent of their liability for business debts will be limited to the amount of money they have invested in the business **(1).** The partners may also become **employees** of this new business as directors and as such will receive a directors salary as opposed to just one of them receiving a salary as at present **(1)** They may be able to attract more **investment** from outside agencies such as banks that are more likely to lend money where the ownership of the business is wider **(1).** **Disadvantages** However they may find that they have **less control** over the day to day operations of the business as they may have other shareholders who have a say in the running of the business **(1).** There will also be a change to the way in which the accounts are prepared and to the type of **taxation** paid on the business profits **(1)** They will also have to ensure that they abide by all the **legislation** which relates to the management and administration of companies. **(1)** **Conclusion** Although there are many advantages to the partnership of this proposal Stylos and Kristos will be well advised to seek professional advice before embarking on this change as they need to be aware of the disadvantages too. **(1)**	**(5)**

(Total for Question 14 = 25 marks)

Question Number	Mark	
15 (a)	**Award 1 mark for each correct response as indicated**	**(10)**

	Capital receipt	**Revenue receipt**	**Capital expenditure**	**Revenue expenditure**
Additional capital invested by Javid	✓ **(1)**			
Bank interest received		✓ **(1)**		
Discount allowed				✓ **(1)**
Discount received		✓ **(1)**		
Installation cost of new machine			✓ **(1)**	
Interest on bank loan				✓ **(1)**
Maintenance contract on new machine				✓ **(1)**
New bank loan	✓ **(1)**			
Payment by tenant of rent.		✓ **(1)**		
Purchase of goods for resale				✓ **(1)**

Question Number	Mark	
15 (b)	**Award (1) mark for comment related to the effect on the income statement and (1) mark for the effect on the balance sheet.** **Award up to (2) marks for a relevant example** **Award (1) mark for a conclusion.** **Sample response** The incorrect treatment of revenue expenditure would result in the net profit being either overstated or understated **(1).** The incorrect treatment of capital expenditure would result in the fixed assets section of the balance sheet being either overstated or understated **(1).** If, for example, a business enters the purchase of a motor vehicle in the motor expenses account this would result in the net profit being understated **(1)** and the value of the motor vehicles in the balance sheet being understated **(1).** By treating capital expenditure and revenue expenditure incorrectly this would result in the financial statements not providing a true and fair view of the business **(1).**	**(5)**

(Total for Question 15 = 15 marks)

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