Mark Scheme (Results)

January 2015

Pearson Edexcel International GCSE Accounting (4AC0/01)

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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.

Section A

Question Number	Answer	Mark
1	A	**(1)**

Question Number	Answer	Mark
2	D	**(1)**

Question Number	Answer	Mark
3	B	**(1)**

Question Number	Answer	Mark
4	A	**(1)**

Question Number	Answer	Mark
5	B	**(1)**

Question Number	Answer	Mark
6	C	**(1)**

Question Number	Answer	Mark
7	A	**(1)**

Question Number	Answer	Mark
8	C	**(1)**

Question Number	Answer	Mark
9	B	**(1)**

Question Number	Answer	Mark
10	D	**(1)**

Section B

Question Number	Answer	Mark
11 (a)	**Journal**	**(7)**

	Debit	Credit
	£	£
Purchases	5 000(1)	
Fixtures and fittings	8 000(1)	
Bank	8 500(1)	
(Petty) Cash	100(1)	
Loan		5 000(1)
Capital		16 600 (1of)
	21 600	21 600
Being assets and liabilities on 1 July 2014 (1)		

Question Number	Answer	Mark
11 (b)		**(9)**

Petty Cash Book

Receipts	Date	Details	Total	Postage and Stationery	Travel	Cleaning	Ledger Accounts
£			£	£	£	£	£
100 (1)	July 1	Capital					
	July 1	Postages	10(1)	10			
	July 6	Bus fares	8(1)		8		
	July 10	J Green	19(1)				19
	July 14	Window Cleaner	21(1)			21	
	July 22	Taxi Fare	12(1)		12		
	July 26	Stationery	16(1)	16			
			86	26	20	21	19
86 (1)	July 31	Cash					
	July 31	Balance c/d	100				
186			186				
100 (1)	Aug1	Balance b/d					

Question Number	Answer	Mark
12 (a)	**Debtors Ledger Control Account**	**(4)**

Date	Narration	£	Date	Narration	£
Jan 1	Balance b/f	4500(1)	Dec 31	Cash book	97800(1)
Dec 31	Sales (bal figure)	102000(1)	Dec 31	Balance c/d	8 700
		106 500			106 500
Jan 1	Balance b/d	8 700(1)			

Alternative presentation

Opening Debtors	(4500)	(1)
Receipts from debtors	97 800	(1)
Closing debtors	8 700	(1)
Sales	102 000	(1)

Question Number	Answer	Mark
12 (b)	**Creditors Ledger Control Account**	**(5)**

Date	Narration	£	Date	Narration	£
Dec 31	Cash book	36 890(1)	Jan 1	Balance b/f	3 678(1)
Dec 31	Discount received	1 667(1)	Dec 31	Purchases (bal figure)	39 200(1)
Dec 31	Balance c/d	4 321			
		42 878			42 878
			Jan 1	Balance b/d	4 321(1)

Alternative presentation

Opening creditors	(3 678)	(1)
Payments to creditors	36 890	(1)
Discount received	1 667	(1)
Closing creditors	4 321	(1)
Purchases	39 200	(1)

Question Number	Answer	Mark
12 (c)	**Rachel Black** **Trading account for year ended 31 December 2014**	**(5)**

	£	£
Sales		102 000 (1of)
Cost of goods sold		
Opening stock	1 200	
Purchases	39 200 (1of)	
	40 400	
Closing stock	1 400 (1cf)	
Cost of goods sold		39 000 (1 of)
Gross profit		63 000 (1 of)

Question Number	Answer	Mark
12 (d)	Cost of goods sold (1) Average Stock 39 000 1 300 = 30 (times) (1of)	**(2)**

Question Number	Answer	Mark
12 (e)	Award (1) mark for identifying that the stock turnover rate has declined and a further (1) mark for development. A further (2) marks for stating the steps that could be taken to improve on the current situation and a further (1) mark for a suitable conclusion. **Sample answer** Over the three years Rachel's stock turnover has declined (1) from 50 times to 30 times. This indicates that it is taking longer for her to sell her stock. As a consequence of this there is a possibility that some of her stock may become obselete or become damaged (1) and have to be sold at a reduced price. In order to improve on her current stock turnover ratio Rachel should consider reducing her purchases (1) or offering her customers a discount in order to encourage sales(1). By taking these steps Rachel should see an improvement in her stock turnover rate (1)	**(5)**

Question Number	Answer	Mark
13 (a)	**Green Limited** **Appropriation account for the year ended 30 September 2014**	**(5)**

	£	£	
Net profit for the year		116 524	
Transfer to general reserve	25 000		(1 cf)
Ordinary share dividend proposed	12 500		(1 cf)
		37 500	
Retained profit for the year		79 024	(1 of)
Retained profit brought forward		450 976	(1 cf)
Retained profit carried forward		530 000	(1 of)

Question Number	Answer	Mark
13 (b)		**(10)**

Green Limited
Balance Sheet as at 30 September 2014

	£	£	£	
Fixed assets	Cost	Total depreciation	Net book value	
Land and buildings	800 000		800 000	
Motor vehicles	43 000	13 000	30 000	
Fixtures and fittings	27 500	7 500	20 000	
	870 500	20 500	850 000	**(2 cf 1 of)**
Current assets				
Stock	43 799			
Trade debtors	26 248			
Prepaid expenses	428			
		70 475		**(2 cf 1 of)**
Current liabilities				
Trade creditors	216 89			
Accrued expenses	286			
Proposed dividend	12 500			
Bank overdraft	56 000	90 475		**(2 cf 1 of)**
Working capital			(20 000)	
			830 000	
Long term liabilities				
5% Debentures			50 000	**(1 cf)**
			780 000	
Financed by				
Share capital		125 000		**(1 cf)**
General reserve		125 000		**(1 cf)**
Profit and loss account		530 000		**(1 of)**
			780 000	

Question Number	Answer	Mark
14 (a)		**(10)**

Red Limited

Manufacturing account for the year ended 31 October 2014.

	£	£	£	
Opening stock – raw materials	45 000			
Purchases of raw materials	262 000			
	307 000			
Carriage on raw materials	9 000			
	316 000			
Closing stock – raw materials	51 000			
Cost of raw material consumed		265 000		(1)
Direct factory wages(78600 + 6 400)		85 000		(1)
Prime cost			350 000	(1)
Factory overheads				
Indirect factory wages		28 930		
Factory power		22 379		
Heat and light		19 500		(1)
Insurance		750		(1)
Rent and rates		6 000		(1)
Depreciation – factory machinery		37 500		(1)
			115 059	
			465 059	
Opening work in progress			13 650	
Closing work in progress			(13 709)	(1)
Production cost (1)			465 000	(1)

Question Number	Answer	Mark
14 (b)(i)	Net profit/Capital employed x 100 (1) 113000/565000 x 100 = 20% (1)	**(2)**

Question Number	Answer	Mark
14 (b)(ii)	Award (1) for identifying that the ROCE is worsening over the three year period. Award up to (3) for statements relating to how efficent or otherwise the company is. Award (1) for an appropriate conclusion. **Sample answer** The ratio indicates that their ROCE has declined (1) over the three year period. This indicates that the company is not (1) operating as efficiently (1) as it should be and that they are not making the most effective use of their capital employed (1). If this trend contnues shareholders may decide to sell their shares and the company may have difficulty attracting further investments in the future (1).	**(5)**

Question Number	Answer	Mark
15	**Motor Vehicle Account**	**(21)**

Provision for Depreciation Account

Date	Narration	£	Date	Narration	£
Jan 1	B Lue	**25 000** (1)	Jul 1	**Asset Disposal** (1)	**10 000** (1)
			Dec 31 '14	Bal c/d	15 000
		25 000			25 000
Jan 1 '15	Bal b/d	**15 000** (1of)			

Asset Disposal Account

Date	Narration	£	Date	Narration	£
Dec 31 '12	Bal c/d	6 250	Dec 31 '12	**Profit & loss** (1)	**6 250** (1)
Dec 31 '13	Bal c/d	12 500	Jan 1 '13	Bal b/d	6 250
			Dec 31 '13	**Profit & loss** (1)	**6 250** (1)
		12 500			12 500
Jul 1 '14	**Asset Disposal** (1)	**5 000** (1)	Jan 1 '14	Bal b/d	**12 500** (1of)
Dec 31 '14	Bal c/d	11 250	Dec 31 '14	**Profit & loss** (1)	**3 750** (1)
		16 250			16 250
			Jan 1 '15	Bal b/d	**11 250** (1of)
Date 2014	**Narration**	**£**	**Date 2014**	**Narration**	**£**
Jul 1	**Motor Vehicle** (1)	**10 000** (1)	Jul 1	Provision for Dep.	**5 000** (1)
			Jul 1	**Cash** (1)	**2 500** (1)
			Dec 31	**Profit & loss** (1)	**2 500** (1of)
		10 000			10 000

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