# Mark Scheme (Results)

## Summer 2022

## Pearson Edexcel International GCSE
## In Accounting (4AC1)
## Paper 01 Introduction to Bookkeeping and Accounting

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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.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

## SECTION A

| Question number | Answer | Mark |
|---|---|---|
| | **Award 1 mark as indicated for each question.** | |
| 1 | D Trade payables | (1) |
| 2 | B Journal | (1) |
| 3 | B Purchases returns day book | (1) |
| 4 | C Original entry | (1) |
| 5 | D The closing balance agrees with the total of individual balances | (1) |
| 6 | D To spread the cost of the asset over its useful life | (1) |
| 7 | C Money measurement | (1) |
| 8 | C Profit for the year overstated | (1) |
| 9 | C Objectivity | (1) |
| 10 | A <u>Account to be debited</u>: Drawings; <u>Account to be credited</u>: Purchases | (1) |

**TOTAL FOR QUESTIONS 1-10 = 10 MARKS**

| Question number | Answer | Mark |
|---|---|---|
| 11 | **Award marks as indicated.** | |

| Transaction | Source document |
|---|---|
| Returned goods to a credit supplier | Credit note / Debit note **(1)** |
| Purchased refreshments for the office | Petty cash voucher / Receipt **(1)** |
| Received bank interest | Bank statement **(1)** |
| Purchased a non-current asset on credit | Invoice **(1)** |
| Received a cheque from a credit customer | Paying in slip / remittance advice / Cheque **(1)** |

**(5)**

**TOTAL FOR QUESTION 11 = 5 MARKS**

| Question number | Answer | Mark |
|---|---|---|
| 12 (a) | **Award marks as indicated.**<br><br>The objective of private sector organisations is to generate a profit **(1)** whereas the objective of public sector organisations is to provide a service to the general public **(1).**<br><br>**Accept any other appropriate responses.** | **(2)** |

| Question number | Answer | Mark |
|---|---|---|
| **12 (b)** | **Award marks as indicated (maximum 3 marks).**<br><br>• Suppliers / Trade payables<br>• Customers / Trade receivables<br>• Providers of finance / Banks<br>• Government<br>• Employees<br>• Owners<br><br>**Accept any other appropriate responses.** | **(3)** |

**TOTAL FOR QUESTION 12 = 5 MARKS**

| Question number | Answer | Mark |
|---|---|---|
| **13 (a)** | **Award mark as indicated.**<br><br>Prudence / accruals / matching **(1).** | **(1)** |

| Question number | Answer | Mark |
|---|---|---|
| **13 (b)** | **Award marks as indicated.**<br><br>An irrecoverable debt is an amount owing to a business that will not be paid by a credit customer **(1)** whereas a provision for irrecoverable debts is an estimate of the amount which a business will lose in a financial year due to irrecoverable debts **(1).**<br><br>**Accept any other appropriate responses.** | **(2)** |

<table>
<tr><th>Question number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>13 (c)</td><td>Award marks as indicated.
<table>
<tr><th rowspan="2"></th><th colspan="2">Income statement</th><th colspan="2">Statement of financial position</th></tr>
<tr><th>Income</th><th>Expenses</th><th>Current assets</th><th>Current liabilities</th></tr>
<tr><td>Decrease in provision for irrecoverable debts</td><td>✓ (1)</td><td></td><td></td><td></td></tr>
<tr><td>Balance of provision for irrecoverable debts account</td><td></td><td></td><td>✓ (1)</td><td></td></tr>
</table>
</td><td>(2)</td></tr>
</table>

**TOTAL FOR QUESTION 13 = 5 MARKS**

**TOTAL MARKS FOR SECTION A = 25 MARKS**

## SECTION B

| Question number | Answer | Mark |
|---|---|---|
| 14(a) | **Award 1 mark for each pair of correct entries.**<br>**Award (1CF) mark for suspense account balance and totals.** | (8) |

**Trial Balance at 31 March 2022**

| | Debit $ | Credit $ |
|---|---|---|
| Bank loan | | 1 300 |
| Bank overdraft | | 810 |
| Carriage inwards | 630 | |
| Drawings | 12 810 | |
| Equity | | 12 380 |
| General expenses | 9 250 | |
| Inventory at 1 April 2021 | 21 250 | |
| Irrecoverable debts | 390 | |
| Motor vehicles - Cost | 14 900 | |
| Motor vehicles - Provision for depreciation | | 8 940 |
| Purchases | 69 220 | |
| Sales | | 112 100 |
| Trade payables ledger control | | 8 230 |
| Trade receivables ledger control | 15 420 | |
| Suspense | | 110 |
| Totals | 143 870 | 143 870 |

| Question number | Answer | Mark |
|---|---|---|
| 14(b) | **Award marks for correct details and amounts for three separate identifiable journal entries, as indicated.** | |

**Journal**

| Date 2022 | Details | Debit $ | Credit $ |
|---|---|---|---|
| Mar 31 | Suspense | 200 **(1)** | |
| | Sales | | 200 **(1)** |
| | | | |
| | Johann | 90 **(1)** | |
| | Suspense | | 90 **(1)** |
| | | | |
| | Bank | 260 **(1)** | |
| | C Green | | 130 **(1)** |
| | V Green | | 130 **(1)** |

**(7)**

**TOTAL FOR QUESTION 14 = 15 MARKS**

| Question number | Answer | Mark |
|---|---|---|
| 15(a) | **Award marks as indicated** | |

| April 2022 | Book of original entry |
|---|---|
| 12 | Purchases day book (journal) **(1)** |
| 19 | Purchases returns day book (journal) / Returns outwards day book (journal) **(1)** |
| 29 | Cash book **(1)** |

**(3)**

| Question number | Answer | Mark |
|---|---|---|
| 15(b)(i) | **Award marks for correct dates, details and amounts as indicated.** | |

**Rafa Account**

| **Date 2022** | **Details** | **$** | **Date 2022** | **Details** | **$** |
|---|---|---|---|---|---|
| Apr 19 | Purchases returns day book | 80 **(1)** | Apr 1 | Balance b/d | 640 **(1)** |
| 29 | Cash book/bank | 608 **(1)** | 12 | Purchases day book | 680 **(1)** |
| | Discount (received) | 32 **(1)** | | | |
| 30 | Balance c/d | 600 | | | |
| | | 1 320 | | | 1 320 |
| | | | May 1 | Balance b/d | 600 **(1of)** |

**(6)**

| Question number | Answer | Mark |
|---|---|---|
| 15(b)(ii) | **Award mark as indicated.**<br><br>Current liabilities **(1of).** | **(1)** |

| Question number | Answer | Mark |
|---|---|---|
| 15(c) | **Award 1 mark for identification, 1 mark for development of an advantage and a disadvantage and 1 mark for overall conclusion.**<br><br>**Sample answer**<br><br>Offering credit terms may introduce new customers to the business **(1)** which will increase her turnover and profits **(1)**<br><br>Will lead to the possibility of irrecoverable debts **(1)**, which will decrease profits **(1)**.<br><br>Martina should proceed with this proposal **(1)**<br><br>**Accept any other appropriate responses.** | **(5)** |

**TOTAL FOR QUESTION 15 = 15 MARKS**

| Question number | Answer | Mark |
|---|---|---|
| 16(a) | **Award marks as indicated**<br><br>To check for errors in the cash book entries / made by the bank **(1)**<br><br>Assists in discovering / preventing fraud **(1)**<br><br>Identifies uncredited lodgements **(1)**<br><br>Identifies unpresented cheques **(1)**<br><br>Identifies out-of-date cheques **(1)**<br><br>**Accept any other appropriate responses.** | **(2)** |

| Question number | Answer | Mark |
|---|---|---|
| 16(b)(i) | **Award marks for correct dates, details and amounts as indicated.** | (6) |

**Cash Book – Bank Column**

| Date 2022 | Details | $ | Date 2022 | Details | $ |
|---|---|---|---|---|---|
| Feb 28 | BX Trading | 475 **(1)** | Feb 28 | Balance b/d | 180 |
| | Cash (banked) | 295 **(1)** | | Telephone | 42 **(1)** |
| | Balance c/d | 240 | | Barjey Ltd | 668 **(1)** |
| | | | | Cash (withdrawn) | 120 **(1)** |
| | | 1 010 | | | 1 010 |
| | | | Mar 1 | Balance b/d | 240 **(1of)** |

| Question number | Answer | Mark |
|---|---|---|
| 16(b)(ii) | **Award marks as indicated.** | (6) |

**Bank reconciliation statement at 28 February 2022**

| | $ | |
|---|---|---|
| Revised balance per cash book **(1)** | (240) | **(1of)** |
| Unpresented cheques | 562 | **(1)** |
| Outstanding lodgements | (187) | **(1)** |
| Balance per bank statement **(1)** | 135 | **(1)** |

**Alternative presentation**

| | $ | |
|---|---|---|
| Balance per bank statement **(1)** | 135 | **(1)** |
| Unpresented cheques | (562) | **(1)** |
| Outstanding lodgements | 187 | **(1)** |
| Revised balance per cash book **(1)** | (240) | **(1of)** |

| Question number | Answer | Mark |
| --- | --- | --- |
| 16(c) | **Award 1 mark as indicated.**<br><br>Current liabilities **(1of)** | **(1)** |

**TOTAL FOR QUESTION 16= 15 MARKS**

| Question number | Answer | Mark |
| --- | --- | --- |
| 17(a) | **Award marks as indicated**<br><br>Wear and tear **(1)**<br>Obsolescence **(1)**<br>Usage **(1)**<br>Technological change **(1)**<br>Depletion **(1)**<br>Time factor**(1)**<br>Economic factors **(1)**<br><br>**Max 2 marks** | **(2)** |

| Question number | Answer | Mark |
| --- | --- | --- |
| 17(b) | **Award marks as indicated**<br><br>Capital expenditure is charged to the statement of financial position **(1)** whereas revenue expenditure is charged to the income statement **(1)**<br><br>Capital expenditure is expenditure on acquiring or improving non-current assets **(1)** whereas revenue expenditure is payment of day-to-day expenses **(1).**<br><br>**Accept any other appropriate response** | **(2)** |

| Question number | Answer | Mark |
|---|---|---|
| 17(c) | **Award marks as indicated.**<br><br><table><tr><th></th><th>Capital expenditure</th><th>Revenue expenditure</th></tr><tr><td>Delivery cost</td><td>✓ **(1)**</td><td></td></tr><tr><td>Motor insurance</td><td></td><td>✓ **(1)**</td></tr></table> | **(2)** |

| Question number | Answer | Mark |
|---|---|---|
| 17(d) | **Award 1 mark as indicated.**<br><br>$15 360 **(1)** | **(1)** |

| Question number | Answer | Mark |
|---|---|---|
| 17(e) | **Award marks for correct dates, details and amounts as indicated.** | **(4)** |

**Provision for Depreciation – Motor Vehicles Account**

| Date | Details | $ | Date | Details | $ |
|---|---|---|---|---|---|
| 2020<br>June 30 | Disposal | 14 640<br>**(1of)** | 2021<br>Apr 1 | Balance b/d | 18 240<br>**(1)** |
| Mar 31 | Balance c/d | 10 480 | Mar 31 | Income statement | 6 880<br>**(1)** |
| | | 25 120 | | | 25 120 |
| | | | Apr 1 | Balance b/d | 10 480<br>**(1of)** |

| Question number | Answer | Mark |
|---|---|---|
| 17(f) | **Award marks for correct dates, details and amounts as indicated.** | (4) |

**Asset Disposal Account**

| Date | Details | $ | Date | Details | $ |
|---|---|---|---|---|---|
| 2021 Jun 30 | Motor vehicle – cost | 30 000 **(1)** | 2021 Jun 30 | Motor vehicle – provision for depreciation | 14 640 **(1of)** |
| 2022 Mar 31 | Income statement | 1 040 **(1of)** | Jun 30 | Cash book / bank | 16 400 **(1)** |
| | | 31 040 | | | 31 040 |

**Total for Question 17 = 15 marks**

| Question number | Answer | Mark |
|---|---|---|
| 18(a) | **Award marks for correct figures as indicated.**<br>**Award 1 mark for all correct dates and details.** | (8) |

**Trade Receivables Ledger Control Account**

| Date 2022 | Details | $ | Date 2022 | Details | $ |
|---|---|---|---|---|---|
| Mar 1 | Balance b/d | 48 220 | Mar 31 | Bank / Cash book | 38 590 |
| 31 | Sales day book | 41 480 **(1)** | | Cash book / Discount allowed | 410 **(1fb)** |
| | Bank / Cash book | 360 **(1)** | | Journal / Contra / set-off | 270 **(1)** |
| | | | | Journal / Irrecoverable debts | 1 930 **(1)** |
| | | | | Sales returns day book | 1 030 **(1)** |
| | | | | Balance c/d | 47 830 |
| | | 90 060 | | | 90 060 |
| Apr 1 | Balance b/d | 47 830 **(1)** | | | |

| Question number | Answer | Mark |
|---|---|---|
| 18(b) | **Award marks as indicated (maximum 2 marks).**<br><br>Insufficient funds in the drawer's account **(1)**<br>Words and figures disagree **(1)**<br>Cheque is unsigned **(1)**<br>Cheque is out-of-date **(1)**<br><br>**Accept any other appropriate responses.** | (2) |

| Question number | Answer | Mark |
|---|---|---|
| **18(c)** | **Award up to 2 marks for advantages, up to 2 marks for disadvantages, and 1 mark for an overall conclusion.**<br><br>**Sample answer**<br><br>Changing to a computerised system will help eliminate mistakes **(1)** which will create a more professional image to customers **(1).**<br><br>However, Lucas may not have the necessary skills to operate a computerised system **(1)** which will result in lower profits by incurring additional wages costs **(1).**<br><br>Overall, changing to a computerised system will be of benefit to Lucas **(1).**<br><br>**Accept any other appropriate responses.** | **(5)** |

**Total for Question 18 = 15 marks**

**TOTAL MARKS FOR SECTION B = 75 MARKS**

**TOTAL MARKS FOR PAPER = 100 MARKS**

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