



Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE
Accounting (4AC1)

Paper 02R: Financial Statements

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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.

Question Number	Answer	Mark																																																																																																								
1(a)	Award marks as indicated. <table><tr><th colspan="4">Jay</th></tr><tr><th colspan="4">Income statement for the year ended 31 December 2024</th></tr><tr><td></td><td>\$</td><td>\$</td><td></td></tr><tr><td>Revenue</td><td>143 200</td><td></td><td></td></tr><tr><td>Returns inwards</td><td>(3 214)</td><td></td><td></td></tr><tr><td></td><td></td><td>139 986</td><td>(1)</td></tr><tr><td>Cost of sales</td><td></td><td></td><td></td></tr><tr><td>Opening inventory</td><td>15 600</td><td></td><td></td></tr><tr><td>Purchases</td><td>69 320</td><td></td><td></td></tr><tr><td>Closing inventory</td><td>(12 900)</td><td></td><td>(1fb)</td></tr><tr><td></td><td></td><td>(72 020)</td><td>(1)</td></tr><tr><td>Gross profit</td><td></td><td>67 966</td><td>(1of)</td></tr><tr><td>Add income</td><td></td><td></td><td></td></tr><tr><td>Discount received</td><td></td><td>534</td><td>(1)</td></tr><tr><td></td><td></td><td>68 500</td><td></td></tr><tr><td>Less expenses</td><td></td><td></td><td></td></tr><tr><td>Discount allowed</td><td>1 328</td><td></td><td></td></tr><tr><td>General expenses</td><td>8 900</td><td></td><td></td></tr><tr><td>Rent and rates</td><td>5 600</td><td></td><td></td></tr><tr><td>Insurance</td><td>1 830</td><td></td><td>(1)</td></tr><tr><td>Irrecoverable debts</td><td>850</td><td></td><td>(1)</td></tr><tr><td>Machinery – depreciation charge</td><td>11 350</td><td></td><td>(1)</td></tr><tr><td>Machinery repairs</td><td>1 500</td><td></td><td>(1)</td></tr><tr><td>Wages and salaries</td><td>25 000</td><td></td><td>(1)</td></tr><tr><td></td><td></td><td>(56 358)</td><td>(1)</td></tr><tr><td>Profit for the year</td><td></td><td>12 142</td><td>(1of)</td></tr></table>	Jay				Income statement for the year ended 31 December 2024					\$	\$		Revenue	143 200			Returns inwards	(3 214)					139 986	(1)	Cost of sales				Opening inventory	15 600			Purchases	69 320			Closing inventory	(12 900)		(1fb)			(72 020)	(1)	Gross profit		67 966	(1of)	Add income				Discount received		534	(1)			68 500		Less expenses				Discount allowed	1 328			General expenses	8 900			Rent and rates	5 600			Insurance	1 830		(1)	Irrecoverable debts	850		(1)	Machinery – depreciation charge	11 350		(1)	Machinery repairs	1 500		(1)	Wages and salaries	25 000		(1)			(56 358)	(1)	Profit for the year		12 142	(1of)	(12)
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1(b)	Award marks as indicated. \$11 742 (4) W <table><tr><th>W</th><th>\$</th></tr><tr><td>Profit for the year</td><td>12 142 (1)</td></tr><tr><td>Machinery repairs</td><td>(500) (1)</td></tr><tr><td>Depreciation charge adjustment</td><td>100 (1)</td></tr><tr><td>Adjusted profit for the year</td><td>11 742 (1of)</td></tr></table>	W	\$	Profit for the year	12 142 (1)	Machinery repairs	(500) (1)	Depreciation charge adjustment	100 (1)	Adjusted profit for the year	11 742 (1of)	(4)
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Depreciation charge adjustment	100 (1)											
Adjusted profit for the year	11 742 (1of)											

Question Number	Answer	Mark
1(c)	Award 1 mark for identification of the consistency concept and up to 3 marks for valid development. Sample answer Jay should not proceed with this proposal as he will not be complying with the consistency concept (1) which states that once a particular method has been chosen the business must use this from one accounting period to the next (1). This will enable the business to make meaningful comparisons year on year (1) and avoid distorting the profit for the year (1). Accept any other appropriate responses	(4)

Question Number	Answer	Mark
1(d)	Award up to two marks for identification of each reason and up to two marks for development Award 1 mark for conclusion. Sample answer It is important for Jay to differentiate between capital and revenue expenditure as the incorrect treatment of revenue expenditure would result in the profit for the year being either overstated or understated (1). Similarly, the incorrect treatment of capital expenditure would result in the non-current assets section of the statement of financial position being either overstated or understated (1). If, for example, Jay enters the purchase of a motor vehicle in the motor expenses account this would result in the profit for the year being understated (1) and the value of the motor vehicles in the statement of financial position being understated (1). Treating capital expenditure and revenue expenditure incorrectly would result in the financial statements not providing a true and fair view of the business (1). Accept any other appropriate responses	(5)

Question Number	Answer	Mark																																																															
2 (a)	Award marks as indicated. Victoria and Albert Appropriation account for the year ended 30 April 2025 <table><tr><td></td><td>\$</td><td>\$</td><td></td></tr><tr><td>Profit for the year</td><td></td><td>80 000</td><td></td></tr><tr><td>Interest on drawings:</td><td></td><td></td><td></td></tr><tr><td>Victoria</td><td>90</td><td></td><td></td></tr><tr><td>Albert</td><td>60</td><td></td><td></td></tr><tr><td></td><td></td><td>150</td><td>(1)</td></tr><tr><td>Interest on capital:</td><td></td><td></td><td></td></tr><tr><td>Victoria</td><td>2 500</td><td></td><td></td></tr><tr><td>Albert</td><td>1 500</td><td></td><td></td></tr><tr><td></td><td></td><td>(4000)</td><td>(1)</td></tr><tr><td>Salary: Victoria</td><td></td><td>(12 000)</td><td>(1)</td></tr><tr><td>Residual profit</td><td></td><td>64 150</td><td>(1of)</td></tr><tr><td>Share of profit:</td><td></td><td></td><td></td></tr><tr><td>Victoria</td><td></td><td>32 075</td><td rowspan="2">(1of fb)</td></tr><tr><td>Albert</td><td></td><td>32 075</td></tr><tr><td></td><td></td><td>64 150</td><td></td></tr></table>		\$	\$		Profit for the year		80 000		Interest on drawings:				Victoria	90			Albert	60					150	(1)	Interest on capital:				Victoria	2 500			Albert	1 500					(4000)	(1)	Salary: Victoria		(12 000)	(1)	Residual profit		64 150	(1of)	Share of profit:				Victoria		32 075	(1of fb)	Albert		32 075			64 150		(5)
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2(c) (i)	Award one mark for identification of an advantage and one mark for valid development. Sample answer As the LLP is considered a separate legal entity each partner's liability would be limited to their investment in the partnership (1) Therefore, their personal assets cannot be used to satisfy business debts. (1) Accept any other appropriate responses	(2)

Question Number	Answer	Mark
2(c) (ii)	Award one mark for identification of a reason and up to two marks for valid development. Sample answer Goodwill is an intangible asset which adds value (1) to a partnership therefore when a new partner joins an existing partnership he will benefit from an inherent value (1) which will have built up due to the partnership's reputation etc (1) Accept any other appropriate responses	(3)

TOTAL FOR QUESTION 2 = 25 MARKS
TOTAL MARKS FOR PAPER = 50 MARKS
