Pearson Edexcel

Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE In Accounting (4AC1)

Paper 02

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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.**	

Josh

Manufacturing account for the year ended 31 March 2025

	$	$	
Raw materials			
Opening inventory	12 630		
Purchases	164 830		
Closing inventory	(16 350)		
Cost of raw materials consumed		161 110	**(1)**
Direct wages		94 100	**(1)**
Royalties		6 000	**(1)**
Prime cost		261 210	**(1of)**
Overheads			
Electricity	11 200		**(1)**
Insurance	9 600		**(1)**
Factory rent	35 680		**(1)**
Supervisor wages	22 500		**(1)**
Depreciation	11 112		**(1)**
		90 092	**(1)**
Work-in-progress			
Opening inventory	11 850		
Closing inventory	(13 270)		
		(1 420)	**(1)**
Production cost		349 882	**(1of)**

(12)

Question number	Answer	Mark
1(b)	**Award marks as indicated.**	

Josh

Income statement for the year ended 31 March 2025

	$	$
Revenue		502 500 **(1)**
Cost of sales		
Opening inventory	20 500	
Production cost	349 882 **(1of)**	
Purchases finished goods	14 000 **(1)**	
Closing inventory	(31 110) **(1fb)**	
		(353 272) **(1)**
Gross profit		149 228 **(1of)**
Administrative expenses	19 600	
Carriage outwards	3 180 **(1)**	
Electricity	2 800 **(1)**	
Insurance	2 400 **(1)**	
Rent	8 920 **(1)**	
Depreciation	2 778 **(1)**	
Wages	29 600 **(1)**	
		(69 278)
Profit for the year		79 950 **(1of)**

(13)

TOTAL FOR QUESTION 1 = 25 MARKS

GradeMax

Question Number	Answer	Mark
2(a) (i)	**Award 1 mark for an explanation of the prudence concept and up to 2 marks for valid development.** The prudence concept states that profits and assets should not be overstated **(1).** Creating a provision for irrecoverable debts recognises that not all debts will be recovered **(1)** therefore the true value of trade receivables will be shown in the financial statements **(1)**	**(3)**

Question Number	Answer	Mark
2(a) (ii)	**Award 1 mark for an explanation of the business entity concept and 1 mark for valid development.** **Sample Answer** The business entity concept states that the business is treated as being completely separate from the owner of the business **(1)** therefore the business books of account should only reflect the transactions of the business and not the owner's personal expenditure **(1).** **Accept any other appropriate responses.**	**(2)**

Question Number	Answer	Mark
2(b)	**Award marks as indicated** $36 784 **(5) W** **Working**	**(5)**

	$	
Draft profit for the year	37 800	
Rental income in advance	(650)	**(1)**
Goods for own use	280	**(1)**
Depreciation understated	(400)	**(1)**
Provision for irrecoverable debts	(246)	**(1)**
Revised profit for the year	36 784	**(1)**

Question number	Answer	Mark
2(c)	**Award marks as indicated.**	

Ruhi
Statement of financial position at 31 March 2025

Assets	**$**	**$**	
Non-current assets		21 420	**(1)**
Current assets			
Inventory	14 650		
Trade receivables	12 054		**(1)**
Other receivables	330		
		27 034	
Total assets		48 454	**(1of)**
Equity and liabilities			
Equity			
Opening equity	23 900		
Profit for the year	36 784		**(1of)**
Drawings	(32 580)		**(1)**
Total equity		28 104	**(1of)**
Non-current liabilities			
Bank loan		9 500	**(1)**
Current liabilities			
Trade payables	8 660		
Other payables	2 030		**(1)**
Bank overdraft	160		
		10 850	
Total liabilities		20 350	**(1of)**
Total equity and liabilities		48 454	**(1of)**

(10)

Question Number	Answer	Mark
2(d)	**Award up to 4 marks for assessment of the ratios. Award 1 mark for a conclusion.** **Sample Answer** While the gross profit percentage has not changed over the three years the profit for the year as a percentage of revenue has worsened **(1)**, which indicates that the business needs to improve the control of expenses **(1)**. The return on capital employed has improved over the same period **(1)** indicating that the business is making better use of the capital invested in the business **(1).** Overall profitability has deteriorated/improved over the three years **(1)** **Accept any other appropriate responses.**	**(5)**

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS