Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 1R: Introduction to Bookkeeping and Accounting

Autumn 2020
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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
	Award 1 mark as indicated for each question.	
1	**The only correct answer is B - Discount received** A is not correct because Discount allowed always has a debit balance C is not correct because Purchases always has a debit balance D is not correct because Sales returns always has a debit balance	**(1)**
2	**The only correct answer is D - Money measurement** A is not correct because Business entity does not apply B is not correct because Consistency does not apply C is not correct because Materiality does not apply	**(1)**
3	**The only correct answer is B - Consistency** A is not correct because Accruals does not apply C is not correct because Materiality does not apply D is not correct because Prudence does not apply	**(1)**
4	**The only correct answer is C –** **Capital – liabilities = assets** A is not correct because the statement of financial position would still balance B is not correct because the statement of financial position would still balance D is not correct because the statement of financial position would still balance	**(1)**
5	**The only correct answer is B - Journal** A is not correct because all error corrections are always made in the journal C is not correct because all error corrections are always made in the journal D is not correct because all error corrections are always made in the journal	**(1)**

6	**The only correct answer is D - Statement** A is not correct because a credit note notifies details of returned goods B is not correct because a debit note is a request for a credit note C is not correct because an invoice gives details of goods purchased	**(1)**
7	**The only correct answer is C Interest charged by supplier** A is not correct because discounts received would be entered on the debit side B is not correct because a contra would be entered on the debit side D is not correct because purchase returns would be entered on the debit side	**(1)**
8	**The only correct answer is C - Current assets – Other receivables** A is not correct because payments in advance are not payables B is not correct because payments in advance are not payables D is not correct because Payments in advance are not liabilities	**(1)**
9	**The only correct answer is B - Receipt of a cheque from Jones, $56, entered in the account of James as $65** A is not correct because an error of omission is not disclosed C is not correct because due to the same amount on both sides, the trial balance would still balance D is not correct because a compensating error would not be disclosed	**(1)**

10	**The only correct answer is A** **Debit** / **Credit** **Discount allowed $30** / **Suspense $60** **Discount received $30** B is not correct because no adjustment has been made to discount allowed C is not correct because discount allowed must be debited D is not correct because discount allowed and discount received must be debited	**(1)**

Question Number	Answer	Mark
11	**Award marks as indicated.**	**(5)**

Credit Note

DP Traders
42 Bell Road
Cardiff
CF45 2BB

McBain Harrow House London E14 1AA		No. 6214 Date 3 April 2020	
Description	**Quantity**	**Unit cost $**	**Total cost $**
Games	16	8.50	**136.00 (1)**
Batteries	112	0.75	**84.00 (1)**
Subtotal			**220.00 (1)**
Trade discount 20%			**44.00 (1)**
Total			**176.00 (1)**

Question Number	Answer	Mark
12	**Award marks as indicated.**	

Item	Capital expenditure	Revenue expenditure
Vehicle cost	✓ **(1)**	
Delivery cost	✓ **(1)**	
Insurance		✓ **(1)**
Additional shelving	✓ **(1)**	
Fuel		✓ **(1)**

(5)

Question Number	Answer	Mark
13 (a)	**Award 1 mark for each correct entry.** **Award 1 mark for correct narrative.**	

Journal

Date	Details	Debit $	Credit $
30 April 2020	Irrecoverable debts	1 600 **(1)**	
	Trade receivables ledger control account		1 600 **(1)**
	Being the write-off of an irrecoverable debt **(1)**		

(3)

Question Number	Answer	Mark
13 (b)	**Award marks as indicated** \$56 600 **(1)** x 5% = \$2 830 **(1of)**	**(2)**

Question Number	Answer	Mark
14 (a)	**Award marks as indicated.**	**(6)**

Transaction	Source document	Book of original entry
Sold goods	Sales invoice **(1)**	Sales day book **(1)**
Received payment from customer	Remittance advice **(1)**	Cash book **(1)**
Purchased a non-current asset on credit	Purchase invoice **(1)**	Journal **(1)**

Question Number	Answer	Mark
14 (b) (i)	**Award marks for each correct date, details and amounts in combination.**	**(6)**

Jay Account

Date	Details	$	Date	Details	$
2020 Mar 8	Purchases returns day book	38 **(1)**	2020 Mar 1	Balance b/d	1 250 **(1)**
23	Cash book	1 225 **(1of)**	3	Purchases day book	615 **(1)**
23	Cash book / discount received	25 **(1)**			
31	Balance c/d	577			
		1 865			1 865
			Apr 1	Balance b/d	577 **(1of)**

Question Number	Answer	Mark
14 (b) (ii)	**Award 1 mark as indicated.** Nominal ledger | Receivables ledger | Payables ledger | ✓ **(1)**	**(1)**

Question Number	Answer	Mark
14 (c) (i)	**Award 1 mark as indicated.** Loyalty/bulk purchases/businesses in the same trade **(1).**	**(1)**

Question Number	Answer	Mark
14 (c) (ii)	**Award 1 mark as indicated.** Prompt payment **(1).**	**(1)**

Question Number	Answer	Mark
15 (a)	**Award marks for each correct date, details and amounts in combination.**	**(14)**

Cash Book

Date 2020	Details	Discount allowed $	Cash $	Bank $	Date 2020	Details	Discount received $	Cash $	Bank $
Apr 1	Balance b/d		85 **(1)**		Apr 1	Balance b/d			540 **(1)**
8	Cash sales		855 **(1)**		4	Flolite	12 **(1)**		388 **(1)**
14	Bank			900 **(1)**	14	Cash		900 **(1)**	
24	Kai	15 **(1)**		735 **(1)**	16	Stationery		26 **(1)**	
30	Balance c/d			311	29	Wages			418 **(1)**
					30	Electricity			600 **(1)**
						Balance c/d		14	
		15	940	1 946			12	940	1 946
May 1	Balance b/d		14 **(1of)**		May 1	Balance b/d			311 **(1of)**

Question number	Answer	Mark
15 (b)	**Award 1 mark as indicated** Liability **(1of)**	**(1)**

Question Number	Answer	Mark
16 (a)	**Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.**	

Trade Receivables Ledger Control Account

Date	Details	$	Date	Details	$
2019 Apr 1	Balance b/d	92 130 **(1)**	2020 Mar 31	Cash book / Discount allowed	4 880 **(1)**
2020 Mar 31	Sales day book	564 270 **(1)**		Journal / Irrecoverable debts	2 600 **(1)**
	Cash book	1 560 **(1)**		Journal /Set-off	1 290 **(1)**
				Cash book	542 730 **(1)**
				Sales returns day book	3 450 **(1)**
				Balance c/d	103 010
		657 960			657 960
Apr 1	Balance b/d	103 010 **(1of)**			

(10)

Question Number	Answer	Mark
16 (b)	**Award up to 2 marks for each benefit and 1 mark for a conclusion.** **For example** It saves time in the preparation of financial statements **(1)** because it provides a total trade receivables figure **(1).** Provides an internal check to detect / prevent fraud **(1)** as the control account is maintained by a different person **(1).** Overall, it is beneficial for a business to maintain a trade receivables ledger control account **(1).** **Accept any other appropriate responses.**	**(5)**

Question Number	Answer	Mark
17 (a)	**Award 1 mark for each correct pair of figures.**	**(8)**

Account	**Trial balance**	
	Debit $	**Credit $**
Bank loan		2 000
Bank overdraft		160
Carriage outwards	650	
Discount received		190
Drawings	5 130	
Equity		19 500
Fixtures and fittings		
- cost	24 400	
- provision for depreciation		6 350
General expenses	16 870	
Inventory at 1 April 2019	18 750	
Provision for irrecoverable debts		300
Purchases	42 630	
Returns inwards	2 580	
Revenue		88 320
Trade payables ledger control account		5 230
Trade receivables ledger control account	11 040	
Totals	122 050	122 050

Question Number	Answer	Mark
17 (b)	**Award marks as indicated** **Type of error** Principle **(1)** Commission **(1)**	**(2)**

Question Number	Answer	Mark
17 (c)	**Award 1 mark as indicated.** Speed / accuracy **(1)** **Accept any other appropriate responses.**	**(1)**

Question Number	Answer	Mark
17 (d)	**Award marks as indicated.** Passwords **(1)** Firewalls **(1)**	**(2)**

Question Number	Answer	Mark
17 (e)	**Award marks as indicated.** A public sector organisation aims to provide a service to the public **(1)** whereas a private sector organisation aims to make profit **(1).** **Accept any other appropriate responses.**	**(2)**

Question Number	Answer	Mark
18 (a)	**Award 1 mark as indicated.** $1 680 **(1)**	**(1)**

Question Number	Answer	Mark
18 (b)	**Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.**	**(5)**

Provision for Depreciation – Machinery Account

Date	Details	$	Date	Details	$
2019 June 30	Asset disposal	1 680 **(1of)**	2019 Jan 1	Balance b/d	9 000 **(1)**
Dec 31	Balance c/d	10 080	Dec 31	Income statement	2 760 **(1)**
		11 760			11 760
			2020 Jan 1	Balance b/d	10 080 **(1of)**

Question Number	Answer	Mark
18 (c)	**Award marks for each correct date, details and amounts in combination.**	**(4)**

Asset Disposal Account

Date	Details	$	Date	Details	$
2019 June 30	Machinery – cost / Journal	4 200 **(1)**	2019 June 30	Provision for depreciation – machinery	1 680 **(1of)**
			June 30	Cash book	2 000 **(1)**
			Dec 31	Income statement	520 **(1of)**
		4 200			4 200

Question Number	Answer	Mark
18 (d)	**Award 2 marks for comments related to the effect on income statement and 2 marks for the effect on the statement of financial position. Award 1 mark for conclusion.** **For example** Changing the depreciation method to reducing balance will reduce the charge for depreciation **(1)** which will result in a higher profit for the year **(1).** The change will result in the carrying value of machinery being higher **(1)** and therefore the net asset value also being higher **(1)**. Overall, the change will be beneficial but must adhere to the consistency concept **(1).** **Accept any other appropriate responses.**	**(5)**

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