Pearson Edexcel

Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 2R: 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 with label.**	

Gurpreet
Income statement for the year ended 31 December 2019

	$	**$**
Revenue		81 385 **(1)**
Cost of sales		
Opening inventory	15 000 **(1)**	
Purchases	45 920 **(1)**	
Closing inventory	(12 000) **(1)**	
		(48 920) **(1of)**
Gross profit		32 465 **(1of)**
Add income		
Allowance for doubtful debts		150 **(1)**
Profit on disposal of motor vehicle $5 760 **(1) -** $5 000 **(1) =** $760 **(1of)**		760 **(3)**
		33 375
Less expenses		
Irrecoverable debts	575 **(1)**	
Motor vehicles – depreciation charge $40 000 **(1)** x 10%=$4 000 **(1of)**	4 000 **(2)**	
Office expenses $16 780 **(1)** - $1 280=$15 500 **(1)**	15 500 **(2)**	
Wages $24 375 **(1)** + $1 125=$25 500 **(1)**	25 500 **(2)**	
		(45 575) **(1of)**
Loss for the year		12 200 **(2/1of)**

(20)

Question Number	Answer	Mark
1 (b)	**Award 2 marks for points in favour and 2 marks for points against.** **Award 1 mark for decision.** **For example** The new partner will provide additional capital **(1)** and new skills and expertise **(1).** However, Gurpreet has to share the profit **(1)** and will lose full control of decisions **(1).** Gurpreet should form a partnership **(1).**	**(5)**

Question Number	Answer	Mark
2 (a)	**Award marks as indicated with label.**	**(7)**

Talmur and Soha
Appropriation account for the year ended 31 March 2020

	\$	**\$**
Profit for the year		65 000
Interest on drawings:		
Talmur	1 000 **(1)**	
Soha	800 **(1)**	
		1 800
Interest on capital:		
Talmur	7 500 **(1)**	
Soha	5 000 **(1)**	
		(12 500)
Salary:		
Talmur		(15 000) **(1)**
Profit available for distribution		39 300
Share of profit:		
Talmur		23 580 **(1of)**
Soha		15 720 **(1of)**
		<u>39 300</u>

Question Number	Answer	Mark
2 (b)(i)	**Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.**	**(6)**

Current Account - Talmur

Date	Details	$	Date	Details	$
1 April 2019	Balance b/d	4 750	31 March 2020	Interest on capital	7 500 **(1of)**
31 March	Drawings	20 000		Salary	15 000 **(1)**
	Interest on drawings	1 000 **(1fb)**		Share of profit	23 580 **(1of)**
	Balance c/d	20 330			
		46 080			46 080
			1 April 2020	Balance b/d	20 330 **(1of)**

Question Number	Answer	Mark
2 (b)(ii)	**Award 1 mark as indicated.** There may be a share of loss **(1).** Or More drawings than available on the account **(1).** **Accept other appropriate responses.**	**(1)**

Question Number	Answer	Mark
2 (c)	**Award 1 mark for an introduction, up to 3 marks for discussion on ratios and 1 mark for a conclusion.** **For example** The partners are incorrect **(1).** The gross profit margin is unchanged over the two years indicating no change in either the selling price or cost price **(1).** The profit for the year as a percentage of revenue has increased indicating that the business is controlling their expenses adequately **(1).** The return on capital employed has decreased indicating that the business is not using the increase in capital employed effectively in generating profit **(1)**. Overall profitability has declined **(1).**	**(5)**

Question Number	Answer	Mark
2 (d)	**Award marks as indicated.**	**(6)**

Transaction	**Increase**	**Decrease**	**No effect**
Purchase of a non-current asset by cash		✓ **(1)**	
Sale of a non-current asset on credit	✓ **(1)**		
Non-current asset taken by owner for own use			✓ **(1)**
Purchase of inventory on credit			✓ **(1)**
Sale of inventory by cash	✓ **(1)**		
Inventory taken by owner for own use		✓ **(1)**	

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