



# Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE  
In Accounting (4AC1)  
Paper 2: Financial Statements

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Autumn 2020

Publications Code 4AC1\_02\_2011\_MS

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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                                                                        |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--|--|--|----|----|---------------------|--|--------|---------------------|--|--|--------|-------------------|--|--------|------------------|--|--|--|----------|--------|--|--|--------|--|---------------------|-----------------------------------|--|--------|-----------------|--|--|--------|--|---------------------|--------|--|---------------------|--|--|---------------|------------|
| <b>1 (a)</b>                                                                | <p><b>Award marks as indicated with label.</b></p> <table border="1"> <thead> <tr> <th colspan="3">Muneeb and Javeed<br/>Appropriation account for the year ended 31 March 2020</th></tr> <tr> <th></th><th>\$</th><th>\$</th></tr> </thead> <tbody> <tr> <td>Profit for the year</td><td></td><td>78 000</td></tr> <tr> <td>Interest on capital</td><td></td><td></td></tr> <tr> <td>Muneeb</td><td>10 000<b>(1)</b></td><td></td></tr> <tr> <td>Javeed</td><td>5 000<b>(1)</b></td><td></td></tr> <tr> <td></td><td></td><td>(15 000)</td></tr> <tr> <td>Salary</td><td></td><td></td></tr> <tr> <td>Muneeb</td><td></td><td>(12 000) <b>(1)</b></td></tr> <tr> <td>Profit available for distribution</td><td></td><td>51 000</td></tr> <tr> <td>Share of profit</td><td></td><td></td></tr> <tr> <td>Muneeb</td><td></td><td>34 000<b>(1of)</b></td></tr> <tr> <td>Javeed</td><td></td><td>17 000<b>(1of)</b></td></tr> <tr> <td></td><td></td><td><u>51 000</u></td></tr> </tbody> </table> | Muneeb and Javeed<br>Appropriation account for the year ended 31 March 2020 |  |  |  | \$ | \$ | Profit for the year |  | 78 000 | Interest on capital |  |  | Muneeb | 10 000 <b>(1)</b> |  | Javeed | 5 000 <b>(1)</b> |  |  |  | (15 000) | Salary |  |  | Muneeb |  | (12 000) <b>(1)</b> | Profit available for distribution |  | 51 000 | Share of profit |  |  | Muneeb |  | 34 000 <b>(1of)</b> | Javeed |  | 17 000 <b>(1of)</b> |  |  | <u>51 000</u> | <b>(5)</b> |
| Muneeb and Javeed<br>Appropriation account for the year ended 31 March 2020 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
|                                                                             | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$                                                                          |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Profit for the year                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 78 000                                                                      |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Interest on capital                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Muneeb                                                                      | 10 000 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Javeed                                                                      | 5 000 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (15 000)                                                                    |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Salary                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Muneeb                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (12 000) <b>(1)</b>                                                         |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Profit available for distribution                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 51 000                                                                      |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Share of profit                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                             |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Muneeb                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 34 000 <b>(1of)</b>                                                         |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
| Javeed                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 17 000 <b>(1of)</b>                                                         |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |
|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>51 000</u>                                                               |  |  |  |    |    |                     |  |        |                     |  |  |        |                   |  |        |                  |  |  |  |          |        |  |  |        |  |                     |                                   |  |        |                 |  |  |        |  |                     |        |  |                     |  |  |               |            |

| Question Number | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Mark                 |               |                     |                        |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------------|------------------------|---------|----|--------------|-------------|-------|---------------|---------------------|------------------------|---------------|----------|----------------------|--|--------|----------------------|--|-------------|-------|--|-----------------|------------------------|--|--|---------------|--|--|---------------|--|--|--|--------------|-------------|-----------------------|----------------|
| 1 (b)           | <p><b>Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.</b></p> <p style="text-align: center;"><b>Current Account - Muneeb</b></p> <table><tr><th>Date</th><th>Details</th><th>\$</th><th>Date</th><th>Details</th><th>\$</th></tr><tr><td>1 April 2019</td><td>Balance b/d</td><td>5 750</td><td>31 March 2020</td><td>Interest on capital</td><td>10 000<br/><b>(1of)</b></td></tr><tr><td>31 March 2020</td><td>Drawings</td><td>42 500<br/><b>(1)</b></td><td></td><td>Salary</td><td>12 000<br/><b>(1)</b></td></tr><tr><td></td><td>Balance c/d</td><td>7 750</td><td></td><td>Share of profit</td><td>34 000<br/><b>(1of)</b></td></tr><tr><td></td><td></td><td><u>56 000</u></td><td></td><td></td><td><u>56 000</u></td></tr><tr><td></td><td></td><td></td><td>1 April 2020</td><td>Balance b/d</td><td>7 750<br/><b>(1of)</b></td></tr></table> | Date                 | Details       | \$                  | Date                   | Details | \$ | 1 April 2019 | Balance b/d | 5 750 | 31 March 2020 | Interest on capital | 10 000<br><b>(1of)</b> | 31 March 2020 | Drawings | 42 500<br><b>(1)</b> |  | Salary | 12 000<br><b>(1)</b> |  | Balance c/d | 7 750 |  | Share of profit | 34 000<br><b>(1of)</b> |  |  | <u>56 000</u> |  |  | <u>56 000</u> |  |  |  | 1 April 2020 | Balance b/d | 7 750<br><b>(1of)</b> | <div>(6)</div> |
| Date            | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$                   | Date          | Details             | \$                     |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
| 1 April 2019    | Balance b/d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 5 750                | 31 March 2020 | Interest on capital | 10 000<br><b>(1of)</b> |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
| 31 March 2020   | Drawings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 42 500<br><b>(1)</b> |               | Salary              | 12 000<br><b>(1)</b>   |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
|                 | Balance c/d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 7 750                |               | Share of profit     | 34 000<br><b>(1of)</b> |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>56 000</u>        |               |                     | <u>56 000</u>          |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |
|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      | 1 April 2020  | Balance b/d         | 7 750<br><b>(1of)</b>  |         |    |              |             |       |               |                     |                        |               |          |                      |  |        |                      |  |             |       |  |                 |                        |  |  |               |  |  |               |  |  |  |              |             |                       |                |

| Question Number                                  | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mark              |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|--|--|--------------------------------------------------|--|--|--|--|----|----|----|---------------|--|--|--|---------------------------|--|--|-------------|-----------------------|--|--|--|-----------|--|------------|--|-------------------|--------|--|--|-----------------------------------|---------|--|--|--|--|------------|--|-------------------|--|-----------|--|---------------------------|--|-----------|--|--|--|--|--------------|---------------------|--|--|---------------|-------------------------------|--|--|--|---------------|--|--|--|--------|--------|--------|--|-----------------|-------------|------------|---------|-----------------|-------------|-------------|-------|--------------|--|--|---------|----------------------------|--|--|--|----------------|--|------------|--|----------------|--|---------|--|-------------------------------------|--|--|---------------|------|
| 1 (c)                                            | <p><b>Award marks as indicated with label.</b></p> <table><tr><th colspan="4">Muneeb and Javeed</th></tr><tr><th colspan="4">Statement of financial Position at 31 March 2020</th></tr><tr><th></th><th>\$</th><th>\$</th><th>\$</th></tr><tr><td><b>Assets</b></td><td></td><td></td><td></td></tr><tr><td><b>Non-current assets</b></td><td></td><td></td><td>100 000 (1)</td></tr><tr><td><b>Current assets</b></td><td></td><td></td><td></td></tr><tr><td>Inventory</td><td></td><td>46 475 (1)</td><td></td></tr><tr><td>Trade receivables</td><td>34 590</td><td></td><td></td></tr><tr><td>Allowance for irrecoverable debts</td><td>(3 000)</td><td></td><td></td></tr><tr><td></td><td></td><td>31 590 (1)</td><td></td></tr><tr><td>Other receivables</td><td></td><td>1 040 (1)</td><td></td></tr><tr><td>Cash and cash equivalents</td><td></td><td>1 145 (1)</td><td></td></tr><tr><td></td><td></td><td></td><td>80 250 (1of)</td></tr><tr><td><b>Total assets</b></td><td></td><td></td><td>180 250 (1of)</td></tr><tr><td><b>Equity and liabilities</b></td><td></td><td></td><td></td></tr><tr><td><b>Equity</b></td><td></td><td></td><td></td></tr><tr><td>Equity</td><td>Muneeb</td><td>Javeed</td><td></td></tr><tr><td>Capital account</td><td>100 000 (1)</td><td>50 000 (1)</td><td>150 000</td></tr><tr><td>Current account</td><td>7 750 (1of)</td><td>(3 950) (1)</td><td>3 800</td></tr><tr><td>Total equity</td><td></td><td></td><td>153 800</td></tr><tr><td><b>Current liabilities</b></td><td></td><td></td><td></td></tr><tr><td>Trade payables</td><td></td><td>25 850 (1)</td><td></td></tr><tr><td>Other payables</td><td></td><td>600 (1)</td><td></td></tr><tr><td><b>Total equity and liabilities</b></td><td></td><td></td><td>180 250 (1of)</td></tr></table> | Muneeb and Javeed |               |  |  | Statement of financial Position at 31 March 2020 |  |  |  |  | \$ | \$ | \$ | <b>Assets</b> |  |  |  | <b>Non-current assets</b> |  |  | 100 000 (1) | <b>Current assets</b> |  |  |  | Inventory |  | 46 475 (1) |  | Trade receivables | 34 590 |  |  | Allowance for irrecoverable debts | (3 000) |  |  |  |  | 31 590 (1) |  | Other receivables |  | 1 040 (1) |  | Cash and cash equivalents |  | 1 145 (1) |  |  |  |  | 80 250 (1of) | <b>Total assets</b> |  |  | 180 250 (1of) | <b>Equity and liabilities</b> |  |  |  | <b>Equity</b> |  |  |  | Equity | Muneeb | Javeed |  | Capital account | 100 000 (1) | 50 000 (1) | 150 000 | Current account | 7 750 (1of) | (3 950) (1) | 3 800 | Total equity |  |  | 153 800 | <b>Current liabilities</b> |  |  |  | Trade payables |  | 25 850 (1) |  | Other payables |  | 600 (1) |  | <b>Total equity and liabilities</b> |  |  | 180 250 (1of) | (14) |
| Muneeb and Javeed                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Statement of financial Position at 31 March 2020 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
|                                                  | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$                | \$            |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Assets</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Non-current assets</b>                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   | 100 000 (1)   |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Current assets</b>                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Inventory                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 46 475 (1)        |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Trade receivables                                | 34 590                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Allowance for irrecoverable debts                | (3 000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 31 590 (1)        |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Other receivables                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1 040 (1)         |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Cash and cash equivalents                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1 145 (1)         |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   | 80 250 (1of)  |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Total assets</b>                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   | 180 250 (1of) |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Equity and liabilities</b>                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Equity</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Equity                                           | Muneeb                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Javeed            |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Capital account                                  | 100 000 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 50 000 (1)        | 150 000       |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Current account                                  | 7 750 (1of)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | (3 950) (1)       | 3 800         |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Total equity                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   | 153 800       |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Current liabilities</b>                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Trade payables                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 25 850 (1)        |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| Other payables                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 600 (1)           |               |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |
| <b>Total equity and liabilities</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   | 180 250 (1of) |  |  |                                                  |  |  |  |  |    |    |    |               |  |  |  |                           |  |  |             |                       |  |  |  |           |  |            |  |                   |        |  |  |                                   |         |  |  |  |  |            |  |                   |  |           |  |                           |  |           |  |  |  |  |              |                     |  |  |               |                               |  |  |  |               |  |  |  |        |        |        |  |                 |             |            |         |                 |             |             |       |              |  |  |         |                            |  |  |  |                |  |            |  |                |  |         |  |                                     |  |  |               |      |

| Question Number                                                   | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Mark                                                              |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--|--|--|----|----|------------|--|--------|-------------------|--|--|----------------------------------|------------------|--|-----------------------|------------------|--|-------|-------------------|--|--|--|--------|--|--|--------|--------------------------|------------------|--|--------------------------|--------------------|--|--|--|------|------------------------|--|---------------------|------------|
| 2 (a)                                                             | <p><b>Award marks as indicated with label.</b></p> <table border="1"> <thead> <tr> <th colspan="3">Hyat<br/>Manufacturing account for the year ended 31 December 2019</th></tr> <tr> <th></th><th>\$</th><th>\$</th></tr> </thead> <tbody> <tr> <td>Prime cost</td><td></td><td>18 750</td></tr> <tr> <td>Factory overheads</td><td></td><td></td></tr> <tr> <td>Depreciation - factory machinery</td><td>5 120 <b>(1)</b></td><td></td></tr> <tr> <td>Rent, rates and power</td><td>4 500 <b>(1)</b></td><td></td></tr> <tr> <td>Wages</td><td>15 250 <b>(1)</b></td><td></td></tr> <tr> <td></td><td></td><td>24 870</td></tr> <tr> <td></td><td></td><td>43 620</td></tr> <tr> <td>Opening work in progress</td><td>1 370 <b>(1)</b></td><td></td></tr> <tr> <td>Closing work in progress</td><td>(1 450)<b>(1)</b></td><td></td></tr> <tr> <td></td><td></td><td>(80)</td></tr> <tr> <td><b>Production cost</b></td><td></td><td><b>43 540 (1of)</b></td></tr> </tbody> </table> | Hyat<br>Manufacturing account for the year ended 31 December 2019 |  |  |  | \$ | \$ | Prime cost |  | 18 750 | Factory overheads |  |  | Depreciation - factory machinery | 5 120 <b>(1)</b> |  | Rent, rates and power | 4 500 <b>(1)</b> |  | Wages | 15 250 <b>(1)</b> |  |  |  | 24 870 |  |  | 43 620 | Opening work in progress | 1 370 <b>(1)</b> |  | Closing work in progress | (1 450) <b>(1)</b> |  |  |  | (80) | <b>Production cost</b> |  | <b>43 540 (1of)</b> | <b>(6)</b> |
| Hyat<br>Manufacturing account for the year ended 31 December 2019 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
|                                                                   | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$                                                                |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Prime cost                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 18 750                                                            |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Factory overheads                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Depreciation - factory machinery                                  | 5 120 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Rent, rates and power                                             | 4 500 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Wages                                                             | 15 250 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 24 870                                                            |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 43 620                                                            |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Opening work in progress                                          | 1 370 <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| Closing work in progress                                          | (1 450) <b>(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                   |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (80)                                                              |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |
| <b>Production cost</b>                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>43 540 (1of)</b>                                               |  |  |  |    |    |            |  |        |                   |  |  |                                  |                  |  |                       |                  |  |       |                   |  |  |  |        |  |  |        |                          |                  |  |                          |                    |  |  |  |      |                        |  |                     |            |

| Question Number                                              | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Mark                                                         |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--|--|--|----|----|---------|--|------------|---------------|--|--|-------------------|-------|--|--------------------|--------------|--|-------------------|---------------|--|--|--|----------------|--------------|--|--------------|----------|--|--|-------------------------|------------|--|-----------------------|-----------|--|-------|-----------|--|--|--|----------|---------------------|--|-------------|-----|
| 2 (b)                                                        | <p><b>Award marks as indicated with label.</b></p> <table border="1"> <thead> <tr> <th colspan="3">Hyat<br/>Income statement for the year ended 31 December 2019</th></tr> <tr> <th></th><th>\$</th><th>\$</th></tr> </thead> <tbody> <tr> <td>Revenue</td><td></td><td>68 000 (1)</td></tr> <tr> <td>Cost of sales</td><td></td><td></td></tr> <tr> <td>Opening inventory</td><td>4 730</td><td></td></tr> <tr> <td>Cost of production</td><td>43 540 (1of)</td><td></td></tr> <tr> <td>Closing inventory</td><td>(5 180) (1fb)</td><td></td></tr> <tr> <td></td><td></td><td>(43 090) (1of)</td></tr> <tr> <td>Gross profit</td><td></td><td>24 910 (1of)</td></tr> <tr> <td>Expenses</td><td></td><td></td></tr> <tr> <td>Administration expenses</td><td>11 725 (1)</td><td></td></tr> <tr> <td>Rent, rates and power</td><td>1 500 (1)</td><td></td></tr> <tr> <td>Wages</td><td>5 000 (1)</td><td></td></tr> <tr> <td></td><td></td><td>(18 225)</td></tr> <tr> <td>Profit for the year</td><td></td><td>6 685 (1of)</td></tr> </tbody> </table> | Hyat<br>Income statement for the year ended 31 December 2019 |  |  |  | \$ | \$ | Revenue |  | 68 000 (1) | Cost of sales |  |  | Opening inventory | 4 730 |  | Cost of production | 43 540 (1of) |  | Closing inventory | (5 180) (1fb) |  |  |  | (43 090) (1of) | Gross profit |  | 24 910 (1of) | Expenses |  |  | Administration expenses | 11 725 (1) |  | Rent, rates and power | 1 500 (1) |  | Wages | 5 000 (1) |  |  |  | (18 225) | Profit for the year |  | 6 685 (1of) | (9) |
| Hyat<br>Income statement for the year ended 31 December 2019 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
|                                                              | \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$                                                           |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Revenue                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 68 000 (1)                                                   |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Cost of sales                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Opening inventory                                            | 4 730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Cost of production                                           | 43 540 (1of)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Closing inventory                                            | (5 180) (1fb)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
|                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (43 090) (1of)                                               |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Gross profit                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 24 910 (1of)                                                 |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Expenses                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Administration expenses                                      | 11 725 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Rent, rates and power                                        | 1 500 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Wages                                                        | 5 000 (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                              |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
|                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (18 225)                                                     |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |
| Profit for the year                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 6 685 (1of)                                                  |  |  |  |    |    |         |  |            |               |  |  |                   |       |  |                    |              |  |                   |               |  |  |  |                |              |  |              |          |  |  |                         |            |  |                       |           |  |       |           |  |  |  |          |                     |  |             |     |

| Question Number | Answer                                                                                                                                                                                                                                                        | Mark |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 2 (c)           | <p><b>Award 1 mark for identifying the accruals concept and 1 mark for application.</b></p> <p><b>For example</b><br/>To comply with the accruals/matching concept (1) by matching revenues earned with the expenses incurred during the same period (1).</p> | (2)  |

| Question Number  | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mark       |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>2 (d) (i)</b> | <p><b>Award 1 mark for an introduction and up to 3 marks for development.</b></p> <p><b>For example</b><br/>           Current (working capital) ratio has not changed however the Liquid (acid test) ratio has deteriorated <b>(1)</b>.<br/>           The business will struggle to pay its short-term liabilities <b>(1)</b> with its liquid assets <b>(1)</b> as the business is holding more inventory compared to last year <b>(1)</b>.</p> | <b>(4)</b> |

| Question Number   | Answer                                                      | Mark       |
|-------------------|-------------------------------------------------------------|------------|
| <b>2 (d) (ii)</b> | <p><b>Award mark as indicated.</b></p> <p>No <b>(1)</b></p> | <b>(1)</b> |

| Question number    | Answer                                                                                                                                                                                                                                                                                                                 | Mark       |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>2 (d) (iii)</b> | <p><b>Award 1 mark for identification of an improvement and up to 2 marks for justification.</b></p> <p><b>For example</b><br/>           Negotiate better credit terms with suppliers <b>(1)</b> which will provide extra time to collect money from the customers <b>(1)</b> before paying suppliers <b>(1)</b>.</p> | <b>(3)</b> |

