Mark Scheme (Results)

Pearson Edexcel International GCSE Accounting 4AC1

PAPER 02R: Financial Statements

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1(a)	**Award marks as indicated.**	
	$248 780 **(5)W**	
	W	

	$	
Customer receipts	234 800	**(1)**
Discount allowed	3 740	**(1)**
Closing balance	41 790	**(1)**
Opening balance	(31 550)	**(1)**
Credit sales	248 780	**(1of)**

Alternative presentation

Details	$	Details	$
Balance b/d	31 550 **(1)**	Cash book/ Discount allowed	3 740 **(1)**
Sales day book / Credit sales	248 780 **(1of)**	Cash book	234 800 **(1)**
		Balance c/d	41 790
	280 330		280 330
Balance b/d	41 790 **(1)**		

(5)

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

Tim

Income statement for the year ended 30 April 2023

	$	**$**
Revenue		248 780 **(1of)**
Cost of sales		
Opening inventory	27 280	
Purchases	139 000 **(1)**	
Goods for own use	(3 950) **(1)**	
Carriage inwards	1 385 **(1)**	
	163 715	
Closing inventory	(20 130) **(1fb)**	(143 585) **(1)**
Gross profit		105 195 **(1of)**
Expenses		
Discount allowed	3 740 **(1)**	
General expenses	68 350 **(1)**	
Advertising	1 865 **(1)**	
Carriage outwards	1 090 **(1)**	
Wages	5 850 **(1)**	
Depreciation - equipment	17 160 **(1)**	98 055 **(1)**
Profit for the year		7 140 **(1of)**

(15)

Question Number	Answer	Mark
1(c)	**Award 1 mark for identification of correct concept. Award up to 2 marks for development.** **Sample answer** The adjustment was made in compliance with the business entity concept **(1).** This states that the business is treated as separate from the owner **(1).** Therefore, this adjustment is necessary to avoid understating profits **(1).** **Accept any other appropriate responses.**	**(3)**

Question Number	Answer	Mark
1(d)	**Award 1 mark for identification and 1 mark for development.** **Sample answer** Once Tim has selected a method for depreciating a non-current asset, this should be used consistently **(1).** This will allow comparison of results from year to year **(1).** **Accept any other appropriate responses.**	**(2)**

TOTAL FOR QUESTION 1 = 25 MARKS

Question Number	Answer	Mark
2(a)(i)	**Award mark as indicated.** To encourage partners to make additional investment in the business **(1)**	**(1)**

Question Number	Answer	Mark
2(a) (ii)	**Award mark as indicated.** To discourage partners from making excessive drawings **(1)**	**(1)**

Question Number	Answer	Mark
2(a) (iii)	**Award mark as indicated.** To reward partners for extra responsibility **(1)**	**(1)**

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

Belen and Charo
Appropriation account for the year ended 31 December 2022

	$	$
Profit for the year		66 200
Interest on drawings		
Belen	1 600 **(1)**	
Charo	3 040 **(1)**	4 640
Interest on capital		
Belen	4 000 **(1)**	
Charo	4 500 **(1)**	(8 500)
Salary - Charo		(24 000) **(1)**
Profit available for distribution		38 340 **(1of)**
Share of profit		
Belen		19 170 **(1of)**
Charo		19 170 **(1of)**
		38 340

(8)

Question Number	Answer	Mark
2(c)	**Award marks for each correct date, detail and amount in combination.**	(8)

Capital Account - Charo

Date	Details	$	Date	Details	$
31 December	Balance c/d	90 000	1 January	Cash book/Bank	90 000 **(1)**
		90 000			90 000
			1 January	Balance b/d	90 000 **(1)**

Current Account - Charo

Date	Details	$	Date	Details	$
31 December	Appropriation/ Interest on drawings	3 040 **(1of)**	31 December	Appropriation/ Interest on capital	4 500 **(1of)**
	Drawings	38 000 **(1)**		Appropriation/ Salary	24 000 **(1of)**
	Balance c/d	6 630		Appropriation/ Share of profit	19 170 **(1of)**
		47 670			47 670
			1 January	Balance b/d	6 630 **(1of)**

Question Number	Answer	Mark
2(d)	**Award 1 mark for analysis of each ratio, 1 mark for development of each ratio and 1 mark for overall conclusion.** The gross profit percentage is lower than budgeted **(1)** which may be due to selling prices falling/cost of sales increasing **(1).** However, the profit for the year as a percentage of revenue is higher than budgeted **(1),** which may be due to efficient control of overheads **(1).** Therefore, the partners are correct that overall profitability is better than expected **(1).** **Accept any other appropriate responses.**	**(5)**

Question Number	Answer	Mark
2(e)	**Award mark as indicated.** Return on capital employed **(1)**	**(1)**

TOTAL FOR QUESTION 2 = 25 MARKS

TOTAL MARKS FOR PAPER = 50 MARKS