



Mark Scheme (Results)

Summer 2024

Pearson Edexcel International GCSE
Accounting 4AC1
PAPER 02: 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)(i)	Award marks as indicated. Ahmed and Malik Income Statement For the year ended 31 March 2024 <table border="1"> <thead> <tr> <th></th><th style="text-align: right;">\$</th><th style="text-align: right;">\$</th></tr> </thead> <tbody> <tr> <td>Revenue</td><td></td><td style="text-align: right;">192 000 (1)</td></tr> <tr> <td>Cost of sales</td><td></td><td></td></tr> <tr> <td>Opening inventory</td><td style="text-align: right;">12 260</td><td></td></tr> <tr> <td>Purchases</td><td style="text-align: right;">86 321 (1)</td><td></td></tr> <tr> <td>Purchase returns</td><td style="text-align: right;">(3 298)(1)</td><td></td></tr> <tr> <td>Carriage inwards</td><td style="text-align: right;">645 (1)</td><td></td></tr> <tr> <td>Closing inventory</td><td style="text-align: right;"><u>(14 265)</u>(1fb)</td><td></td></tr> <tr> <td>Cost of sales</td><td></td><td style="text-align: right;"><u>(81 663)</u>(1)</td></tr> <tr> <td>Gross profit</td><td></td><td style="text-align: right;">110 337(1of)</td></tr> <tr> <td>Discount received</td><td></td><td style="text-align: right;"><u>663</u> (1)</td></tr> <tr> <td></td><td></td><td style="text-align: right;">111 000</td></tr> <tr> <td>Expenses</td><td></td><td></td></tr> <tr> <td>Rent rates and insurance</td><td style="text-align: right;">10 000(1)</td><td></td></tr> <tr> <td>Carriage outwards</td><td style="text-align: right;">1 300(1)</td><td></td></tr> <tr> <td>Depreciation – motor vehicles</td><td style="text-align: right;">5 000(1)</td><td></td></tr> <tr> <td>Discount allowed</td><td style="text-align: right;">678(1)</td><td></td></tr> <tr> <td>Motor expenses</td><td style="text-align: right;">1 854</td><td></td></tr> <tr> <td>Provision for irrecoverable debts</td><td style="text-align: right;">720 (1)</td><td></td></tr> <tr> <td>Wages and salaries</td><td style="text-align: right;"><u>44 448</u></td><td></td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>64 000</u> (1)</td></tr> <tr> <td>Profit for the year</td><td></td><td style="text-align: right;"><u>47 000</u>(1of)</td></tr> </tbody> </table>		\$	\$	Revenue		192 000 (1)	Cost of sales			Opening inventory	12 260		Purchases	86 321 (1)		Purchase returns	(3 298) (1)		Carriage inwards	645 (1)		Closing inventory	<u>(14 265)</u> (1fb)		Cost of sales		<u>(81 663)</u> (1)	Gross profit		110 337 (1of)	Discount received		<u>663</u> (1)			111 000	Expenses			Rent rates and insurance	10 000 (1)		Carriage outwards	1 300 (1)		Depreciation – motor vehicles	5 000 (1)		Discount allowed	678 (1)		Motor expenses	1 854		Provision for irrecoverable debts	720 (1)		Wages and salaries	<u>44 448</u>				<u>64 000</u> (1)	Profit for the year		<u>47 000</u> (1of)	(15)
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1(b)	Award up to 2 marks for an explanation of advantages and up to 2 marks for an explanation of disadvantages. Award 1 mark for overall advice. Sample answer If the partners introduce a third partner the new partner may bring in additional skills and expertise (1) which may help the partnership to increase its revenue/profit. (1) However, introducing a new partner may result in conflict between the partners (1) which may have a negative effect on the company's efficiency resulting in lower profits. (1) I would advise the partners to proceed with their proposal as they may be able to increase their profit in the long-term. (1) Accept any other appropriate responses	(5)

TOTAL FOR QUESTION 1 = 25 MARKS

Question Number	Answer	Mark
2(a)(i)	Award mark as indicated \$12 000 (1)	(1)

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2(b)	Award 1 mark for identification and 1 for development for each reason. Sample answer A business should maintain full accounting records to prepare financial statements more frequently (1) as the information required will be readily available (1) It will help the business owners to improve their decision making (1) as the financial information will be more accurate and up to date (1) Accept any other appropriate responses	(4)

Question Number	Answer	Mark
2(c)	Award up to 2 marks for a discussion on the meaning of each individual ratio. Up to 2 marks for the implication for their credit suppliers. Award 1 mark for a conclusion. Sample answer The current ratio indicates that they are just able to cover their short-term debts (1) whereas their quick ratio indicates that they are below the ideal ratio of 1:1. (1) The implication of this for a credit supplier is that the business may experience some difficulty in meeting its short-term debts (1). This will have a negative effect on the supplier who may stop supplying goods to the supplier until debts are paid. (1) The liquidity of the business has worsened over the two years (1) which is evidenced by the reduction in both ratios. Accept any other appropriate responses	(5)

TOTAL FOR QUESTION 2 = 25 MARKS
TOTAL MARKS FOR PAPER = 50 MARKS