GradeMax

Pearson

Mark Scheme (Results)

Summer 2026

Pearson Edexcel International GCSE in Accounting
4AC1/02R
Unit 2: Financial Statements

GradeMax

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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 for correct details and amounts in combination.**	**(6)**

Current Account – Jose

Date	Details	$	Date	Details	$
Dec 31	Interest on drawings	500	Jan 1	Balance b/d	9 000 **(1)**
	Drawings	10 000 **(1fb)**	Dec 31	Interest on capital	4 000 **(1)**
	Balance c/d	47 125		Salary	20 000 **(1)**
				Share of profit	24 625 **(1)**
		57 625			57 625
			Jan 1	Balance b/d	47 125 **(1of)**

Question Number	Answer	Mark
1(b)	**Award marks as indicated.**	**(14)**

Jose and Martine
Statement of Financial Position at 31 December 2025

	$	$	$
Assets			
Non-current assets			
Land and buildings			100 000 **(1)**
Fixtures and fittings	25 000	12 500	12 500 **(1)**
	25 000	12 500	112 500
Current assets			
Inventory		8 440	
Trade receivables		7 300 **(1)**	
Other receivables		400 **(1)**	
Bank		28 230	
			44 370 **(1)**
Total assets			156 870 **(1of)**
Equity and liabilities			
Equity	**Jose**	**Martine**	
Capital account	50 000	37 500 **(1fb)**	
Current account	47 125	18 375 **(1)**	
Total equity	97 125 **(1)**	55 875 **(1)**	153 000 **(1of)**
Current liabilities			
Trade payables		3 680	
Other payables		190 **(1)**	
Total liabilities			3 870 **(1)**
Total equity and liabilities			156 870 **(1of)**

1(c)	**Award 1 mark for identification of a reason and a further 1 mark for development for each valid point.** **Award 1 mark for a conclusion.** **Sample answer** A partnership may charge interest on drawings to penalise partners on the basis of the amount and timing of drawings from the business **(1)**. Additionally, by charging interest you effectively discourage partners from taking money out of the business in anticipation of future profits **(1)**. This in turn can help the business's cash flow and liquidity **(1)** and ensure that it does not incur additional interest charges **(1)** which may be incurred if it were to overdraw its bank account. I would advise the partnership to continue to charge interest on drawings **(1)**. **Accept any other appropriate responses.**	**(5)**

TOTAL FOR QUESTION 1 = 25 MARKS

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

	$	
Cost of raw materials consumed	90 000	**(1)**
Prime cost	257 000	**(1)**
Total overheads	138 000	**(1)**
Closing work in progress	40 000	**(1)**
Production cost	390 000	**(1)**

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

Roger
Income Statement for the year ended 31 March 2026

	$	**$**	
Revenue		525 000	**(1)**
Cost of sales			
Opening inventory of finished goods	32 000		
Production cost	390 000		**(1of)**
Purchases of finished goods	18 700		**(1)**
Closing inventory of finished goods	(26 500)		**(1fb)**
		(414 200)	**(1of)**
Gross profit		110 800	**(1of)**

<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>2(c)</td><td>Award marks as indicated.
<table>
<tr><th rowspan="2"></th><th rowspan="2">Formula</th><th colspan="2">Year ended 31 March</th></tr>
<tr><th>2025</th><th>2026</th></tr>
<tr><td>Gross profit percentage</td><td>Gross profit/credit sales × 100 (1)</td><td>50% (1)</td><td>45% (1)</td></tr>
<tr><td>Profit for the year as a percentage of revenue</td><td>Profit for the year/credit sales × 100 (1)</td><td>30% (1)</td><td>30% (1)</td></tr>
<tr><td>Return on capital employed (correct to two decimal places)</td><td>Profit for the year/capital employed x 100 (1)</td><td>28.80% (1)</td><td>43.20% (1)</td></tr>
</table></td><td>(9)</td></tr>
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Question Number	Answer	Mark
2(d)	**Award up to 4 marks for valid points regarding changes in profitability.** **Award 1 mark for a conclusion.** **Sample answer** Gale is correct that turnover has increased, however she may be selling her goods at a lower price or paying a higher price to her suppliers **(1)** which is evidenced by the decrease in the gross profit percentage **(1)**. There is no evidence to suggest that Gale is experiencing any improvement in her control of overheads or enjoying economies of scale expected from the increased turnover **(1)** as the profit for the year as a percentage of revenue has stayed the same **(1)**. However, Gale should be satisfied that the increase in turnover has resulted in an increase in her return on capital employed **(1)**. **Accept any other appropriate responses.**	**(5)**

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