GradeMax

Pearson

Mark Scheme (Results)

Summer 2026

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

GradeMax

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2026
Question Paper Log Number P79453A
Publication Code 4AC1_02_2606_MS
All the material in this publication is copyright
© Pearson Education Ltd

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.** $42 360 **(3) W** 			**$**
---	---	---
Draft profit for the year	42 790	
Irrecoverable debt	(400)	**(1)**
Provision for irrecoverable debts	(30)	**(1)**
Updated profit for the year	42 360	**(1of)**		**(3)**

Question Number	Answer	Mark
1(a)(ii)	**Award marks as indicated.** **Abigail and Kai** **Appropriation Account for the year ended 31 March 2026** 		**$**	**$**	
---	---	---	---
Profit for the year		42 360	
Interest on drawings:			
Abigail	730		
Kai	460		
		1 190	**(1)**
Interest on capital:			
Abigail	(3 000)		
Kai	(2 000)		
		(5 000)	**(1)**
Salary: Abigail		(14 400)	**(1)**
Residual profit		24 150	**(1of)**
Share of profit:			
Abigail		14 490	**(1of fb)**
Kai		9 660	
		24 150			**(5)**

<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>1(a)(iii)</td><td>Award marks as indicated.

$19 690 (3) ($1 660) (3)

<table>
<tr><th></th><th>Abigail
$</th><th>Kai
$</th><th></th></tr>
<tr><td>Balance at 1 April 2025</td><td>6 780</td><td>(1 360)</td><td></td></tr>
<tr><td>Profit for the year</td><td>14 490</td><td>9 660</td><td>(1of fb)</td></tr>
<tr><td>Interest on drawings</td><td>(730)</td><td>(460)</td><td>(1of fb)</td></tr>
<tr><td>Drawings</td><td>(18 250)</td><td>(11 500)</td><td>(1fb)</td></tr>
<tr><td>Interest on capital</td><td>3 000</td><td>2 000</td><td>(1of fb)</td></tr>
<tr><td>Salary</td><td>14 400</td><td>-</td><td>(1 of)</td></tr>
<tr><td>Balance at 31 March 2026</td><td>19 690</td><td>(1 660)</td><td>(1fb)</td></tr>
</table>
</td><td>(6)</td></tr>
</table>

Question number	Answer	Mark
1(a)(iv)	**Award marks as indicated.** **Abigail and Kai** **Statement of Financial Position at 31 March 2026**	**(6)**

	$	$	$	
Equity and liabilities				
Equity				
	Abigail	**Kai**		
Capital accounts	60 000	40 000	100 000	**(1)**
Current accounts	19 690	(1 660)	18 030	**(1of)**
Total equity			118 030	**(1of)**
Non-current liabilities				
Bank loan (2028)			5 000	**(1)**
Current liabilities				
Bank overdraft		14 320		
Trade payables		8 320		
Other payables		630		
			23 270	**(1)**
Total liabilities			28 270	
Total equity and liabilities			146 300	**(1of)**

Question Number	Answer	Mark
1(b)	**Award up to 2 marks for an analysis of each ratio.** **Award 1 mark for an overall conclusion.** **Sample answer** The profit for the year as a percentage of revenue has improved over the year **(1)** indicating that despite the fall in the gross profit, the business is keeping good control over its operating expenses **(1)**. The return on capital employed has also improved over the year **(1)** indicating that the partners are making better use of the capital they have invested in the business **(1)**. Overall, the partners are not correct in their view that they had not had a successful year **(1)**. **Accept any other appropriate responses**	**(5)**

(Total for Question 1 = 25 marks)

Question number	Answer	Mark
2(a)(i)	**Award marks as indicated.**	

Pia

Manufacturing Account for the year ended 31 March 2026

	$	$	
Raw materials			
Purchases		141 620	
Returns outwards		(3 140)	
Carriage inwards		1 940	
Closing inventory		(15 300)	
Cost of raw materials consumed		125 120	**(1)**
Direct wages		88 250	**(1)**
Direct factory expenses		32 130	**(1)**
Prime cost		245 500	**(1)**
Overheads			
Indirect factory expenses	25 480		**(1)**
Insurance	3 375		**(1)**
Lighting and heating	21 405		**(1)**
Rent	27 390		**(1)**
Factory supervisor salary	28 000		**(1)**
Depreciation – factory machinery	16 800		**(1)**
loose tools	380		**(1)**
		122 830	
		368 330	
Work in progress			
Closing inventory		(2 860)	**(1)**
Cost of production		365 470	**(2/1of)**

(14)

<table>
<tr><th>Question number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>2(a)(ii)</td><td>Award marks as indicated.

Pia
Income Statement for the year ended 31 March 2026

<table>
<tr><th></th><th>$</th><th>$</th><th></th></tr>
<tr><td>Revenue</td><td></td><td>468 143</td><td></td></tr>
<tr><td>Cost of sales</td><td></td><td></td><td></td></tr>
<tr><td>Production cost</td><td>365 470</td><td></td><td>(1of)</td></tr>
<tr><td>Purchases</td><td>12 810</td><td></td><td>(1)</td></tr>
<tr><td>Returns outwards</td><td>(1 030)</td><td></td><td></td></tr>
<tr><td>Drawings</td><td>(290)</td><td></td><td>(1)</td></tr>
<tr><td>Closing inventory</td><td>(16 850)</td><td></td><td>(1)</td></tr>
<tr><td></td><td></td><td>(360 110)</td><td>(1of)</td></tr>
<tr><td>Gross profit</td><td></td><td>108 033</td><td>(1of)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
</table></td><td>(6)</td></tr>
</table>

Question Number	Answer	Mark
2(b)	**Award up to 2 marks for each option.** **Award 1 mark for advice.** **Sample answer** **Option 1** By increasing production by 20%, Pia may experience an increase in variable overheads **(1)**, which may lead to an increase in production costs **(1)**. **Option 2** In purchasing additional finished goods, Pia would need to be sure that the manufacturer will be able to deliver the additional goods **(1)** and that the quality will be maintained **(1)**. **Advice** Pia should choose option 2 which would avoid the possible increase in overheads **(1)**. **Accept any other appropriate responses.**	**(5)**

TOTAL FOR QUESTION 2 = 25 MARKS

TOTAL FOR PAPER = 50 MARKS