



Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)

Paper 1: Introduction to Bookkeeping and
Accounting

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Autumn 2020

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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
	Award 1 mark as indicated each question.	
1	<p>The only correct answer is D - Statement of account</p> <p>A is not correct because a credit note notifies details of returned goods</p> <p>B is not correct because a purchase invoice gives details of goods purchased</p> <p>C is not correct because a sales invoice gives details of goods sold</p>	(1)
2	<p>The only correct answer is B - Confidentiality</p> <p>A is not correct because Business entity is an accounting concept</p> <p>C is not correct because Consistency is an accounting concept</p> <p>D is not correct because Materiality is an accounting concept</p>	(1)
3	<p>The only correct answer is D - Discount received</p> <p>A is not correct because Carriage inwards always has a debit balance</p> <p>B is not correct because Carriage outwards always has a debit balance</p> <p>C is not correct because Discount allowed always has a debit balance</p>	(1)
4	<p>The only correct answer is A - Creditors</p> <p>B is not correct because Debtors accounts are maintained in the receivables ledger</p> <p>C is not correct because Purchases accounts are maintained in the nominal ledger</p> <p>D is not correct because Sales accounts are maintained in the nominal ledger</p>	(1)

<p>5</p>	<p>The only correct answer is C - Capital - liabilities = assets</p> <p>A is not correct because the statement of financial position would still balance</p> <p>B is not correct because the statement of financial position would still balance</p> <p>D is not correct because the statement of financial position would still balance</p>	<p>(1)</p>
<p>6</p>	<p>The only correct answer is B - Discount allowed</p> <p>A is not correct because credit sales would be entered on the debit side</p> <p>C is not correct because interest charged would be entered on the debit side</p> <p>D is not correct because returns outwards would be entered on the debit side</p>	<p>(1)</p>
<p>7</p>	<p>The only correct answer is D - Profit for the year understated</p> <p>A is not correct because gross profit would not be affected</p> <p>B is not correct because gross profit would not be affected</p> <p>C is not correct because profit for the year would not be overstated</p>	<p>(1)</p>
<p>8</p>	<p>The only correct answer is C - Payment made within agreed time</p> <p>A is not correct because bulk purchases would trigger a trade discount</p> <p>B is not correct because payment by cash would not trigger a cash discount</p> <p>D is not correct because regular purchases would trigger a trade discount</p>	<p>(1)</p>

<p>9</p>	<p>The only correct answer is C - Debit discount allowed</p> <p>A is not correct because credit discounts allowed is an incorrect posting</p> <p>B is not correct because the debit cash book entry is discounts allowed</p> <p>D is not correct because the debit cash book entry is discounts allowed</p>	<p>(1)</p>
<p>10</p>	<p>The only correct answer is D - Other receivables understated</p> <p>A is not correct because rent paid in advance would not affect gross profit</p> <p>B is not correct because rent paid in advance would not affect gross profit</p> <p>C is not correct because rent paid in advance would not overstate other receivables</p>	<p>(1)</p>

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11	<p>Award 1 mark for each correct figure as indicated.</p> <table border="1" data-bbox="373 376 1316 1312"> <tr> <td colspan="4" data-bbox="373 376 1316 607" style="text-align: center;"> Invoice GLK Ltd Moreton Road Norwich NR1 2BP </td> </tr> <tr> <td colspan="2" data-bbox="373 607 869 786"> Frank Waites 22 Redland Drive Lewes BN7 2DH </td> <td colspan="2" data-bbox="869 607 1316 685"> Number: S2703 </td> </tr> <tr> <td colspan="2" data-bbox="373 685 869 786"></td> <td colspan="2" data-bbox="869 685 1316 786"> Date: 14 April 2020 </td> </tr> <tr> <td data-bbox="373 786 689 864" style="text-align: center;">Description</td> <td data-bbox="689 786 869 864" style="text-align: center;">Quantity</td> <td data-bbox="869 786 1088 864" style="text-align: center;">Unit cost \$</td> <td data-bbox="1088 786 1316 864" style="text-align: center;">Total cost \$</td> </tr> <tr> <td data-bbox="373 864 689 936">Filing cabinets</td> <td data-bbox="689 864 869 936" style="text-align: center;">8</td> <td data-bbox="869 864 1088 936" style="text-align: center;">64.55</td> <td data-bbox="1088 864 1316 936" style="text-align: center;">516.40 (1)</td> </tr> <tr> <td data-bbox="373 936 689 1010">Office chairs</td> <td data-bbox="689 936 869 1010" style="text-align: center;">22</td> <td data-bbox="869 936 1088 1010" style="text-align: center;">19.80</td> <td data-bbox="1088 936 1316 1010" style="text-align: center;">435.60 (1)</td> </tr> <tr> <td colspan="3" data-bbox="373 1010 1088 1088">Sub total</td> <td data-bbox="1088 1010 1316 1088" style="text-align: center;">952.00 (1of)</td> </tr> <tr> <td colspan="3" data-bbox="373 1088 1088 1167">Trade discount 15%</td> <td data-bbox="1088 1088 1316 1167" style="text-align: center;">142.80 (1of)</td> </tr> <tr> <td colspan="3" data-bbox="373 1167 1088 1245">Total</td> <td data-bbox="1088 1167 1316 1245" style="text-align: center;">809.20 (1of)</td> </tr> <tr> <td colspan="4" data-bbox="373 1245 1316 1312">Terms: 2% discount for 30 days settlement.</td> </tr> </table>	Invoice GLK Ltd Moreton Road Norwich NR1 2BP				Frank Waites 22 Redland Drive Lewes BN7 2DH		Number: S2703				Date: 14 April 2020		Description	Quantity	Unit cost \$	Total cost \$	Filing cabinets	8	64.55	516.40 (1)	Office chairs	22	19.80	435.60 (1)	Sub total			952.00 (1of)	Trade discount 15%			142.80 (1of)	Total			809.20 (1of)	Terms: 2% discount for 30 days settlement.				(5)
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13 (a)	<p>Award marks for correct date, details and amounts in combination.</p> <p style="text-align: center;">Disposal Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019 Dec 31</td> <td>Motor vehicles - cost</td> <td>20 000 (1)</td> <td>2019 Dec 31</td> <td>Motor vehicles – provision for depreciation</td> <td>4 000 (1)</td> </tr> <tr> <td></td> <td>Income statement</td> <td>400 (1of)</td> <td></td> <td>Bank / Cash Book</td> <td>16 400 (1)</td> </tr> <tr> <td></td> <td></td> <td>20 400</td> <td></td> <td></td> <td>20 400</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2019 Dec 31	Motor vehicles - cost	20 000 (1)	2019 Dec 31	Motor vehicles – provision for depreciation	4 000 (1)		Income statement	400 (1of)		Bank / Cash Book	16 400 (1)			20 400			20 400	(4)
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		20 400			20 400																					

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13 (b)	<p>Award 1 mark as indicated</p> <p>Wear and tear (1) Obsolescence (1) Passage of time (1) Depletion (1)</p> <p>Accept any other appropriate responses.</p>	(1)

Question Number	Answer	Mark
14 (a)	<p>Award marks as indicated. Max 2 marks</p> <p>Arithmetical accuracy (1) Prevention of fraud (1) Preparation of financial statements (1)</p>	(2)

Question Number	Answer	Mark																																																
14 (b)	<p>Award 1 mark for each correct figure plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Trade Payables Ledger Control Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Mar 31</td> <td>Purchases returns day book</td> <td style="text-align: right;">615 (1)</td> <td>Mar 1</td> <td>Balance b/d</td> <td style="text-align: right;">16 250 (1)</td> </tr> <tr> <td></td> <td>Journal / set off</td> <td style="text-align: right;">465 (1)</td> <td>Mar 31</td> <td>Purchases day book</td> <td style="text-align: right;">18 230 (1)</td> </tr> <tr> <td></td> <td>Bank / Cash book</td> <td style="text-align: right;">14 540 (1)</td> <td></td> <td>Purchases day book/Journal</td> <td style="text-align: right;">30 (1)</td> </tr> <tr> <td></td> <td>Cash book / discount received</td> <td style="text-align: right;">235 (1)</td> <td></td> <td>Bank / Cash book</td> <td style="text-align: right;">55 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">18 710</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">34 565</td> <td></td> <td></td> <td style="text-align: right;">34 565</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">18 710 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	Mar 31	Purchases returns day book	615 (1)	Mar 1	Balance b/d	16 250 (1)		Journal / set off	465 (1)	Mar 31	Purchases day book	18 230 (1)		Bank / Cash book	14 540 (1)		Purchases day book/Journal	30 (1)		Cash book / discount received	235 (1)		Bank / Cash book	55 (1)		Balance c/d	18 710						34 565			34 565				Apr 1	Balance b/d	18 710 (1of)	(10)
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14 (c)	<p>Award marks as indicated. Max 3 marks.</p> <p>Returned goods (1) Faulty goods (1) Discount not given (1) Overpayment (1)</p> <p>Accept any other appropriate response</p>	(3)

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15 (a)	<p data-bbox="252 219 639 255">Award marks as indicated</p> <p data-bbox="603 309 1027 344" style="text-align: center;">Trial balance at 30 April 2020</p> <table border="1" data-bbox="256 398 1254 1720"> <thead> <tr> <th data-bbox="256 398 788 479">Account</th> <th data-bbox="788 398 967 479">Debit \$</th> <th data-bbox="967 398 1145 479">Credit \$</th> <th data-bbox="1145 398 1254 479"></th> </tr> </thead> <tbody> <tr> <td data-bbox="256 479 788 537">Bank overdraft</td> <td data-bbox="788 479 967 537"></td> <td data-bbox="967 479 1145 537">3 850</td> <td data-bbox="1145 479 1254 537">(1)</td> </tr> <tr> <td data-bbox="256 537 788 595">Carriage inwards</td> <td data-bbox="788 537 967 595">260</td> <td data-bbox="967 537 1145 595"></td> <td data-bbox="1145 537 1254 595">(1)</td> </tr> <tr> <td data-bbox="256 595 788 654">Carriage outwards</td> <td data-bbox="788 595 967 654">830</td> <td data-bbox="967 595 1145 654"></td> <td data-bbox="1145 595 1254 654"></td> </tr> <tr> <td data-bbox="256 654 788 712">Discount allowed</td> <td data-bbox="788 654 967 712">1 010</td> <td data-bbox="967 654 1145 712"></td> <td data-bbox="1145 654 1254 712">(1)</td> </tr> <tr> <td data-bbox="256 712 788 770">Drawings</td> <td data-bbox="788 712 967 770">8 400</td> <td data-bbox="967 712 1145 770"></td> <td data-bbox="1145 712 1254 770"></td> </tr> <tr> <td data-bbox="256 770 788 828">Equity</td> <td data-bbox="788 770 967 828"></td> <td data-bbox="967 770 1145 828">27 460</td> <td data-bbox="1145 770 1254 828"></td> </tr> <tr> <td data-bbox="256 828 788 887">General expenses</td> <td data-bbox="788 828 967 887">18 470</td> <td data-bbox="967 828 1145 887"></td> <td data-bbox="1145 828 1254 887"></td> </tr> <tr> <td data-bbox="256 887 788 945">Inventory at 1 May 2019</td> <td data-bbox="788 887 967 945">6 960</td> <td data-bbox="967 887 1145 945"></td> <td data-bbox="1145 887 1254 945">(1)</td> </tr> <tr> <td data-bbox="256 945 788 1003">Irrecoverable debts</td> <td data-bbox="788 945 967 1003">380</td> <td data-bbox="967 945 1145 1003"></td> <td data-bbox="1145 945 1254 1003">(1)</td> </tr> <tr> <td data-bbox="256 1003 788 1061">Property at cost</td> <td data-bbox="788 1003 967 1061">36 000</td> <td data-bbox="967 1003 1145 1061"></td> <td data-bbox="1145 1003 1254 1061"></td> </tr> <tr> <td data-bbox="256 1061 788 1227">Motor vehicles - cost - provision for depreciation</td> <td data-bbox="788 1061 967 1227">18 300</td> <td data-bbox="967 1061 1145 1227">10 980</td> <td data-bbox="1145 1061 1254 1227"></td> </tr> <tr> <td data-bbox="256 1227 788 1285">Purchases</td> <td data-bbox="788 1227 967 1285">44 310</td> <td data-bbox="967 1227 1145 1285"></td> <td data-bbox="1145 1227 1254 1285"></td> </tr> <tr> <td data-bbox="256 1285 788 1344">Rent received</td> <td data-bbox="788 1285 967 1344"></td> <td data-bbox="967 1285 1145 1344">1 650</td> <td data-bbox="1145 1285 1254 1344">(1)</td> </tr> <tr> <td data-bbox="256 1344 788 1402">Returns outwards</td> <td data-bbox="788 1344 967 1402"></td> <td data-bbox="967 1344 1145 1402">570</td> <td data-bbox="1145 1344 1254 1402">(1)</td> </tr> <tr> <td data-bbox="256 1402 788 1460">Revenue</td> <td data-bbox="788 1402 967 1460"></td> <td data-bbox="967 1402 1145 1460">96 740</td> <td data-bbox="1145 1402 1254 1460"></td> </tr> <tr> <td data-bbox="256 1460 788 1563">Trade payables ledger control account</td> <td data-bbox="788 1460 967 1563"></td> <td data-bbox="967 1460 1145 1563">9 150</td> <td data-bbox="1145 1460 1254 1563">(1)</td> </tr> <tr> <td data-bbox="256 1563 788 1666">Trade receivables ledger control account</td> <td data-bbox="788 1563 967 1666">15 480</td> <td data-bbox="967 1563 1145 1666"></td> <td data-bbox="1145 1563 1254 1666">(1)</td> </tr> <tr> <td data-bbox="256 1666 788 1720">Totals</td> <td data-bbox="788 1666 967 1720">150 400</td> <td data-bbox="967 1666 1145 1720">150 400</td> <td data-bbox="1145 1666 1254 1720">(1of)</td> </tr> </tbody> </table>	Account	Debit \$	Credit \$		Bank overdraft		3 850	(1)	Carriage inwards	260		(1)	Carriage outwards	830			Discount allowed	1 010		(1)	Drawings	8 400			Equity		27 460		General expenses	18 470			Inventory at 1 May 2019	6 960		(1)	Irrecoverable debts	380		(1)	Property at cost	36 000			Motor vehicles - cost - provision for depreciation	18 300	10 980		Purchases	44 310			Rent received		1 650	(1)	Returns outwards		570	(1)	Revenue		96 740		Trade payables ledger control account		9 150	(1)	Trade receivables ledger control account	15 480		(1)	Totals	150 400	150 400	(1of)	(10)
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15 (b)	<p>Award up to 4 marks for comments related to the usefulness of preparing a trial balance and 1 mark for conclusion.</p> <p>For example It checks the arithmetical accuracy of the bookkeeping entries (1), however, it will not identify all errors (1). Facilitates preparation of the financial statements (1) as the balances are readily available (1). Overall, preparation of the trial balance is a useful process due to the importance of producing accurate information (1).</p> <p>Accept any other appropriate responses.</p>	(5)

Question Number	Answer	Mark
16 (a)	<p>Award mark as indicated.</p> <p>To record low value cash payments (1). To provide training for junior staff (1).</p> <p>Accept any alternative answers.</p>	(2)

Question Number	Answer								Mark
16 (b)	Award marks for correct figure only. Award 1 mark for all correct dates and details.								
Petty Cash Book									
Receipts \$	Date 2020	Details	Voucher number	Payments \$	Cleaning \$	Stationery \$	Travel \$	Postage \$	
150.00 (1)	Apr 1	Balance b/d							
	5	Taxi fare	401	15.20			15.20 (1 row)		
	9	Postage	402	14.60				14.60 (1 row)	
	13	Travel expenses	403	25.00			25.00 (1 row)		
	22	Envelopes	404	18.30		18.30 (1 row)			
	29	Cleaner's wages	405	30.00	30.00 (1 row)				
				103.10	30.00	18.30	40.20	14.60 (1 of row)	

103.10 (1of)	30	Cash book/bank						
	30	Balance c/d		150.00				
253.10 (1of)				253.10				
150.00 (1)	May 1	Balance b/d						

(11)

Question Number	Answer	Mark
16 (c)	<p>Award 1 mark as indicated</p> <p>Stolen money (1) Not entered/lost voucher (1)</p> <p>Accept any other appropriate response.</p>	(1)

Question Number	Answer	Mark
16 (d)	<p>Award 1 mark as indicated</p> <p>Current assets (1)</p>	(1)

Question Number	Answer	Mark									
17 (a)	<p>Award marks as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Trade receivables control</td> <td></td> <td>✓ (1)</td> </tr> <tr> <td>Irrecoverable debts</td> <td>✓ (1)</td> <td></td> </tr> </tbody> </table>	Account	Debit	Credit	Trade receivables control		✓ (1)	Irrecoverable debts	✓ (1)		(2)
Account	Debit	Credit									
Trade receivables control		✓ (1)									
Irrecoverable debts	✓ (1)										

Question Number	Answer	Mark
17 (b)	<p>Award marks as indicated.</p> <p>Prudence (1) Accruals or matching (1)</p>	(2)

Question Number	Answer	Mark												
17 (c)	<p>Award marks as indicated.</p> <table style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Net trade receivables</td> <td style="text-align: right;">42 140</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u> X 5%</u></td> <td></td> </tr> <tr> <td>Provision at 29 February 2020</td> <td style="text-align: right;"><u>2 107</u></td> <td style="text-align: right;">(1of)</td> </tr> </table>		\$		Net trade receivables	42 140	(1)		<u> X 5%</u>		Provision at 29 February 2020	<u>2 107</u>	(1of)	(2)
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17 (d)	<p>Award 1 mark for figures plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Provision for Irrecoverable Debts Account</p> <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2020 Feb 29</td> <td>Balance c/d</td> <td style="text-align: right;">2 107</td> <td>2019 Mar 1</td> <td>Balance b/d</td> <td style="text-align: right;">1 845 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2020 Feb 29</td> <td>Income statement</td> <td style="text-align: right;">262 (1of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>2 107</u></td> <td></td> <td></td> <td style="text-align: right;"><u>2 107</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Mar 1</td> <td>Balance b/d</td> <td style="text-align: right;">2 107 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2020 Feb 29	Balance c/d	2 107	2019 Mar 1	Balance b/d	1 845 (1)				2020 Feb 29	Income statement	262 (1of)			<u>2 107</u>			<u>2 107</u>				Mar 1	Balance b/d	2 107 (1of)	(4)
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17 (e)	<p>Award up to 4 marks for comments related to the reasons why it is necessary for a business to create a provision for irrecoverable debts and 1 mark for conclusion.</p> <p>For example A business should create a provision because some amounts owing will not be received (1). The effect of this will be to overstate profit for the year and trade receivables in the financial statements (1). This enables a business to make informed decisions (1) by anticipating possible future losses as soon as they become aware of them (1). Overall, the business will benefit from the introduction of this provision (1).</p> <p>Accept any other appropriate responses.</p>	(5)

Question Number	Answer	Mark
18 (a)	<p>Award mark as indicated</p> <p>Speed (1) Accuracy (1)</p> <p>Accept any other appropriate responses.</p>	(2)

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18 (b)	<p>Award marks as indicated.</p> <table border="1" data-bbox="368 815 1262 1140"> <thead> <tr> <th>Item</th> <th>Capital expenditure</th> <th>Revenue expenditure</th> </tr> </thead> <tbody> <tr> <td>Installation cost</td> <td>✓ (1)</td> <td></td> </tr> <tr> <td>Delivery cost</td> <td>✓ (1)</td> <td></td> </tr> <tr> <td>Consumables</td> <td></td> <td>✓ (1)</td> </tr> </tbody> </table>	Item	Capital expenditure	Revenue expenditure	Installation cost	✓ (1)		Delivery cost	✓ (1)		Consumables		✓ (1)	(3)
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