



Mark Scheme (Results)

Summer 2013

GCE Accounting (6001/01)

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information, please visit our website at www.edexcel.com.

Our website subject pages hold useful resources, support material and live feeds from our subject advisors giving you access to a portal of information. If you have any subject specific questions about this specification that require the help of a subject specialist, you may find our Ask The Expert email service helpful.

www.edexcel.com/contactus

Pearson: helping people progress, everywhere

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 2013

Publications Code UA035278

All the material in this publication is copyright

© Pearson Education Ltd 2013

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)	Capital - 1 May 2012	Assets	£
		Inventory	17 750
		Trade receivables	23 400
		Wages prepaid	850
		Computer equipment	5 000
		Fixtures and fittings	<u>11 000</u>
			58 000✓
		Liabilities	
		Bank	6 000
		5% Bank loan	10 000
		Trade payables	<u>19 000</u>
			(35 000)✓
		Capital	23 000 ✓ of
		(3)	

Question Number	Answer	Mark																																				
1(a)(ii)	<table><tr><td>Revenue (sales)</td><td>£</td><td></td></tr><tr><td>Cash sales banked</td><td>13 100</td><td>✓</td></tr><tr><td>Cheques from debtors</td><td>65 300</td><td>✓</td></tr><tr><td>Bad debt</td><td>2 400</td><td>✓</td></tr><tr><td>Wages</td><td>4 800</td><td rowspan="4">✓all 4 items</td></tr><tr><td>Cleaning of premises</td><td>6 000</td></tr><tr><td>New computer</td><td>1 800</td></tr><tr><td>Drawings</td><td><u>5 000</u></td></tr><tr><td></td><td>98 400</td><td></td></tr><tr><td>Trade receivables 30 April 2013</td><td><u>29 600</u></td><td></td></tr><tr><td></td><td>128 000</td><td></td></tr><tr><td>Trade receivables 1 May 2012</td><td><u>(23 400)</u></td><td>✓</td></tr><tr><td>Revenue sales</td><td>104 600</td><td></td></tr></table>	Revenue (sales)	£		Cash sales banked	13 100	✓	Cheques from debtors	65 300	✓	Bad debt	2 400	✓	Wages	4 800	✓all 4 items	Cleaning of premises	6 000	New computer	1 800	Drawings	<u>5 000</u>		98 400		Trade receivables 30 April 2013	<u>29 600</u>			128 000		Trade receivables 1 May 2012	<u>(23 400)</u>	✓	Revenue sales	104 600		(5)
Revenue (sales)	£																																					
Cash sales banked	13 100	✓																																				
Cheques from debtors	65 300	✓																																				
Bad debt	2 400	✓																																				
Wages	4 800	✓all 4 items																																				
Cleaning of premises	6 000																																					
New computer	1 800																																					
Drawings	<u>5 000</u>																																					
	98 400																																					
Trade receivables 30 April 2013	<u>29 600</u>																																					
	128 000																																					
Trade receivables 1 May 2012	<u>(23 400)</u>	✓																																				
Revenue sales	104 600																																					

Question Number	Answer			Mark
1(a)(iii)			£	(3)
	Purchases	Payments to suppliers	46 200✓	
		Trade payables 30 April	<u>21 800</u>	
			68 000	
		Trade payables 1 May	<u>(19 000)</u> ✓	
		Purchases	49 000	

Question Number	Answer					Mark	
1(b)	Wages Account					(6)	
		£		£			
	Balance b/d	850	✓	Drawings	2 500		✓
	Bank	24 000	✓	Income statement	28 600		✓ of
	Cash	4 800	✓				
	Balance c/d	<u>1 450</u>					
		<u>31 100</u>		<u>31 100</u>			
				Balance b/d	1 450		✓ of

Question Number	Answer	Mark																																																																																								
1(c)(i)	<div><div>Avar- Statement of Comprehensive Income for the year ended 30 April 2013</div><table><tr><td></td><td>£</td><td>£</td><td></td></tr><tr><td>Sales revenue</td><td></td><td>104 600</td><td>✓of</td></tr><tr><td>Less</td><td></td><td></td><td></td></tr><tr><td>Opening inventory</td><td>17 750</td><td></td><td></td></tr><tr><td>Purchases</td><td><u>49 000</u> of</td><td></td><td></td></tr><tr><td></td><td>66 750</td><td></td><td></td></tr><tr><td>Closing inventory</td><td><u>20 350</u></td><td></td><td></td></tr><tr><td>Cost of sales</td><td></td><td><u>46 400</u></td><td>✓of+w</td></tr><tr><td>Gross profit</td><td></td><td>58 200</td><td></td></tr><tr><td>Less expenses:</td><td></td><td></td><td></td></tr><tr><td>Wages</td><td>28 600</td><td></td><td>✓of</td></tr><tr><td>Rent and rates</td><td>6 600</td><td></td><td>✓</td></tr><tr><td>Sundry expenses</td><td>3 300</td><td></td><td>✓</td></tr><tr><td>Cleaning of premises</td><td>6 000</td><td></td><td>✓</td></tr><tr><td>Loan interest</td><td>450</td><td>✓✓(✓of)</td><td></td></tr><tr><td>Bank charges</td><td>620</td><td></td><td>✓</td></tr><tr><td>Bad debt</td><td>2 400</td><td></td><td>✓</td></tr><tr><td>Provision for doubtful debts</td><td>1 480</td><td></td><td>✓</td></tr><tr><td>Depreciation - computers</td><td>1 700</td><td></td><td>✓✓</td></tr><tr><td> fixtures</td><td><u>4 600</u></td><td></td><td>✓✓</td></tr><tr><td></td><td></td><td><u>55 750</u></td><td></td></tr><tr><td>Profit for the year</td><td></td><td><u>2 450</u></td><td></td></tr></table></div>		£	£		Sales revenue		104 600	✓of	Less				Opening inventory	17 750			Purchases	<u>49 000</u> of				66 750			Closing inventory	<u>20 350</u>			Cost of sales		<u>46 400</u>	✓of+w	Gross profit		58 200		Less expenses:				Wages	28 600		✓of	Rent and rates	6 600		✓	Sundry expenses	3 300		✓	Cleaning of premises	6 000		✓	Loan interest	450	✓✓(✓of)		Bank charges	620		✓	Bad debt	2 400		✓	Provision for doubtful debts	1 480		✓	Depreciation - computers	1 700		✓✓	fixtures	<u>4 600</u>		✓✓			<u>55 750</u>		Profit for the year		<u>2 450</u>		(15)
	£	£																																																																																								
Sales revenue		104 600	✓of																																																																																							
Less																																																																																										
Opening inventory	17 750																																																																																									
Purchases	<u>49 000</u> of																																																																																									
	66 750																																																																																									
Closing inventory	<u>20 350</u>																																																																																									
Cost of sales		<u>46 400</u>	✓of+w																																																																																							
Gross profit		58 200																																																																																								
Less expenses:																																																																																										
Wages	28 600		✓of																																																																																							
Rent and rates	6 600		✓																																																																																							
Sundry expenses	3 300		✓																																																																																							
Cleaning of premises	6 000		✓																																																																																							
Loan interest	450	✓✓(✓of)																																																																																								
Bank charges	620		✓																																																																																							
Bad debt	2 400		✓																																																																																							
Provision for doubtful debts	1 480		✓																																																																																							
Depreciation - computers	1 700		✓✓																																																																																							
fixtures	<u>4 600</u>		✓✓																																																																																							
		<u>55 750</u>																																																																																								
Profit for the year		<u>2 450</u>																																																																																								

Question Number	Answer	Mark																																																																																	
1(c)(ii)	<div>Statement of Financial Position at 30 April 2013</div> <table><thead><tr><th></th><th>£</th><th>£</th></tr></thead><tbody><tr><td colspan="3"><u>Non-current assets</u></td></tr><tr><td>Computer equipment (valuation</td><td></td><td>5 100 ✓ Both</td></tr><tr><td>Fixtures and fittings (valuation)</td><td></td><td><u>14 000</u></td></tr><tr><td></td><td></td><td>19 100</td></tr><tr><td colspan="3"><u>Current assets</u></td></tr><tr><td>Inventory</td><td>20 350</td><td>✓</td></tr><tr><td>Trade receivables</td><td>29 600</td><td></td></tr><tr><td>Less PDD</td><td><u>1 480</u></td><td>✓ Both</td></tr><tr><td></td><td>28 120</td><td></td></tr><tr><td></td><td></td><td><u>48 470</u></td></tr><tr><td></td><td></td><td><u>67 570</u></td></tr><tr><td colspan="3"><u>Equity and capital:</u></td></tr><tr><td>Opening capital</td><td>23 000</td><td></td></tr><tr><td>Profit for the year</td><td><u>2 450</u></td><td></td></tr><tr><td></td><td>25 450</td><td></td></tr><tr><td>Drawings (5 000 + 2 500)</td><td><u>7 500</u></td><td>✓</td></tr><tr><td></td><td></td><td>17 950 ✓ of</td></tr><tr><td colspan="3"><u>Non-current liabilities</u></td></tr><tr><td>5% Bank loan</td><td></td><td>6 000 ✓ (8 000 ✓)</td></tr><tr><td colspan="3"><u>Current liabilities</u></td></tr><tr><td>5% Bank loan</td><td>2 000</td><td>✓</td></tr><tr><td>Trade payables</td><td>21 800</td><td>✓</td></tr><tr><td>Other payables (450 ✓ + 1 450 ✓)</td><td>1 900</td><td></td></tr><tr><td>Bank overdraft (17 300 ✓ + 620 ✓)</td><td><u>17 920</u></td><td></td></tr><tr><td></td><td></td><td><u>43 620</u></td></tr><tr><td></td><td></td><td><u>67 570</u></td></tr></tbody></table>		£	£	<u>Non-current assets</u>			Computer equipment (valuation		5 100 ✓ Both	Fixtures and fittings (valuation)		<u>14 000</u>			19 100	<u>Current assets</u>			Inventory	20 350	✓	Trade receivables	29 600		Less PDD	<u>1 480</u>	✓ Both		28 120				<u>48 470</u>			<u>67 570</u>	<u>Equity and capital:</u>			Opening capital	23 000		Profit for the year	<u>2 450</u>			25 450		Drawings (5 000 + 2 500)	<u>7 500</u>	✓			17 950 ✓ of	<u>Non-current liabilities</u>			5% Bank loan		6 000 ✓ (8 000 ✓)	<u>Current liabilities</u>			5% Bank loan	2 000	✓	Trade payables	21 800	✓	Other payables (450 ✓ + 1 450 ✓)	1 900		Bank overdraft (17 300 ✓ + 620 ✓)	<u>17 920</u>				<u>43 620</u>			<u>67 570</u>	(12)
	£	£																																																																																	
<u>Non-current assets</u>																																																																																			
Computer equipment (valuation		5 100 ✓ Both																																																																																	
Fixtures and fittings (valuation)		<u>14 000</u>																																																																																	
		19 100																																																																																	
<u>Current assets</u>																																																																																			
Inventory	20 350	✓																																																																																	
Trade receivables	29 600																																																																																		
Less PDD	<u>1 480</u>	✓ Both																																																																																	
	28 120																																																																																		
		<u>48 470</u>																																																																																	
		<u>67 570</u>																																																																																	
<u>Equity and capital:</u>																																																																																			
Opening capital	23 000																																																																																		
Profit for the year	<u>2 450</u>																																																																																		
	25 450																																																																																		
Drawings (5 000 + 2 500)	<u>7 500</u>	✓																																																																																	
		17 950 ✓ of																																																																																	
<u>Non-current liabilities</u>																																																																																			
5% Bank loan		6 000 ✓ (8 000 ✓)																																																																																	
<u>Current liabilities</u>																																																																																			
5% Bank loan	2 000	✓																																																																																	
Trade payables	21 800	✓																																																																																	
Other payables (450 ✓ + 1 450 ✓)	1 900																																																																																		
Bank overdraft (17 300 ✓ + 620 ✓)	<u>17 920</u>																																																																																		
		<u>43 620</u>																																																																																	
		<u>67 570</u>																																																																																	

Question Number	Answer	Mark
1(d)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> • Time saved • Cost saving of professional accountant • Less time consuming • Can provide total of trade receivables/trade payables • Check liquidity • Can compare performance • Can calculate profit • Errors can be identified • Less cost of professional accountant/ of paperwork • More accurate <p>Points against</p> <ul style="list-style-type: none"> • Unable to accurately keep track of trade payables and trade receivables • Lack of information to prepare financial statements • Lack of information for decision making <p>NOT</p> <ul style="list-style-type: none"> • Gain more profit • Difficult to prepare • Less errors <p>// per valid point x Max two point in favour and two points against</p>	(8)

Question Number	Answer	Mark																																																																											
2(a)	<p style="text-align: center;">Giant Burgers</p> <p style="text-align: center;">Manufacturing Account for the year ended 30 April 2013</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th><th style="width: 20%; text-align: right;">£</th><th style="width: 20%; text-align: right;">£</th></tr> </thead> <tbody> <tr> <td>Opening inventory</td><td style="text-align: right;">4 500</td><td></td></tr> <tr> <td>Purchases of raw materials</td><td style="text-align: right;"><u>62 000</u></td><td></td></tr> <tr> <td></td><td style="text-align: right;">66 500</td><td></td></tr> <tr> <td>Closing inventory</td><td style="text-align: right;"><u>7 500</u></td><td></td></tr> <tr> <td>Cost of raw materials consumed</td><td style="text-align: right;">59 000</td><td style="text-align: right;">✓</td></tr> <tr> <td>Production wages</td><td style="text-align: right;">280 000</td><td style="text-align: right;">✓</td></tr> <tr> <td>Packaging (27 000 - 6 000)</td><td style="text-align: right;"><u>21 000</u></td><td style="text-align: right;">✓</td></tr> <tr> <td>PRIME COST</td><td></td><td style="text-align: right;">360 000 ✓w+f</td></tr> <tr> <td>Plus</td><td></td><td></td></tr> <tr> <td>Production overheads:</td><td></td><td></td></tr> <tr> <td>Production management salaries</td><td style="text-align: right;">53 000</td><td style="text-align: right;">✓</td></tr> <tr> <td>Machine repairs</td><td style="text-align: right;">28 650</td><td style="text-align: right;">✓</td></tr> <tr> <td>Rent and rates (22 000 x 70%)</td><td style="text-align: right;">15 400</td><td style="text-align: right;">✓</td></tr> <tr> <td>Electricity and gas (15 500 + 500 x 70%)</td><td style="text-align: right;">11 200</td><td style="text-align: right;">✓</td></tr> <tr> <td>Sundry expenses</td><td style="text-align: right;">18 750</td><td style="text-align: right;">✓</td></tr> <tr> <td>Depreciation - machinery and equipment</td><td style="text-align: right;"><u>15 000</u></td><td style="text-align: right;">✓</td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>142 000</u></td></tr> <tr> <td></td><td></td><td style="text-align: right;">502 000</td></tr> <tr> <td>Work in progress:</td><td></td><td></td></tr> <tr> <td>At 1 May 2012</td><td style="text-align: right;">6 000</td><td></td></tr> <tr> <td>At 30 April 2013</td><td style="text-align: right;"><u>(4 000)</u></td><td style="text-align: right;">✓</td></tr> <tr> <td>PRODUCTION COST (288 000 packs)</td><td></td><td style="text-align: right;"><u>504 000</u> ✓w+of</td></tr> <tr> <td>Profit on production</td><td></td><td style="text-align: right;"><u>72 000</u> ✓of</td></tr> <tr> <td>TRANSFER TO FINISHED GOODS (288 000 packs)</td><td></td><td style="text-align: right;"><u>576 000</u> ✓w+f</td></tr> </tbody> </table>		£	£	Opening inventory	4 500		Purchases of raw materials	<u>62 000</u>			66 500		Closing inventory	<u>7 500</u>		Cost of raw materials consumed	59 000	✓	Production wages	280 000	✓	Packaging (27 000 - 6 000)	<u>21 000</u>	✓	PRIME COST		360 000 ✓w+f	Plus			Production overheads:			Production management salaries	53 000	✓	Machine repairs	28 650	✓	Rent and rates (22 000 x 70%)	15 400	✓	Electricity and gas (15 500 + 500 x 70%)	11 200	✓	Sundry expenses	18 750	✓	Depreciation - machinery and equipment	<u>15 000</u>	✓			<u>142 000</u>			502 000	Work in progress:			At 1 May 2012	6 000		At 30 April 2013	<u>(4 000)</u>	✓	PRODUCTION COST (288 000 packs)		<u>504 000</u> ✓w+of	Profit on production		<u>72 000</u> ✓of	TRANSFER TO FINISHED GOODS (288 000 packs)		<u>576 000</u> ✓w+f	(14)
	£	£																																																																											
Opening inventory	4 500																																																																												
Purchases of raw materials	<u>62 000</u>																																																																												
	66 500																																																																												
Closing inventory	<u>7 500</u>																																																																												
Cost of raw materials consumed	59 000	✓																																																																											
Production wages	280 000	✓																																																																											
Packaging (27 000 - 6 000)	<u>21 000</u>	✓																																																																											
PRIME COST		360 000 ✓w+f																																																																											
Plus																																																																													
Production overheads:																																																																													
Production management salaries	53 000	✓																																																																											
Machine repairs	28 650	✓																																																																											
Rent and rates (22 000 x 70%)	15 400	✓																																																																											
Electricity and gas (15 500 + 500 x 70%)	11 200	✓																																																																											
Sundry expenses	18 750	✓																																																																											
Depreciation - machinery and equipment	<u>15 000</u>	✓																																																																											
		<u>142 000</u>																																																																											
		502 000																																																																											
Work in progress:																																																																													
At 1 May 2012	6 000																																																																												
At 30 April 2013	<u>(4 000)</u>	✓																																																																											
PRODUCTION COST (288 000 packs)		<u>504 000</u> ✓w+of																																																																											
Profit on production		<u>72 000</u> ✓of																																																																											
TRANSFER TO FINISHED GOODS (288 000 packs)		<u>576 000</u> ✓w+f																																																																											

Question Number	Answer	Mark
2(b)(i)	<u>Prime cost</u> £360 000 / of = £1.25 per pack / of <u>Packs produced</u> 288 000 /	(3)

Question Number	Answer	Mark
2(b)(ii)	<u>Production cost</u> £504 000 / of = £1.75 per pack / of <u>Packs produced</u> 288 000 /	(3)

Question Number	Answer	Mark
2(c)	Reasons: <ul style="list-style-type: none"> • <u>Measure efficiency</u> of production and selling activities. • A <u>notional profit</u> can be generated in the production department • Can <u>compare cost of manufacture</u> with purchasing the product // x one point	(2)

Question Number	Answer				Mark
2(d)	Statement of Comprehensive Income for the year ended 30 April 2013				(18)
		Packs	£	£	
	Sales revenue:				
	Farmers markets	66 000	198 000	✓✓	
	Sales on line	140 000	378 000	✓✓	
	Tulip Supermarkets	<u>76 000</u>	<u>171 000</u>	✓✓	
		282 000		747 000	
	less				
	Opening inventory of finished goods	12 000	24 000	✓	
	Transfer from production	<u>288 000</u>	<u>576 000</u>	✓	
		300 000	600 000		
	Closing inventory of finished goods	<u>18 000</u>	<u>(36 000)</u>	✓	
	Cost of sales	282 000		<u>564 000</u> ✓w+of	
	Gross profit		183 000		
	Less				
	Administrative salaries		84 500	✓	
	Marketing (52 900- 1 800)		51 100	✓	
	Rent and rates (22 000 x 30%)		6 600	✓	
	Electricity and gas (15 500 + 500 x 30%)		4 800	✓	
	Depreciation - fixtures and fittings		12 000	✓	
	Sundry expenses		<u>26 000</u>	✓	
			<u>(185 000)</u>		
	Loss		(2 000)		
	Add Profit from production		<u>72 000</u>	✓of	
	Profit for the year	✓	<u>70 000</u>		

Question Number	Answer	Mark
2(e)	<p>Going concern - Assumes, unless the contrary is known, that the business will have a <u>life of unlimited duration</u>.//</p> <p>Consistency - that a consistent method of depreciating the non-current asset should be <u>used throughout its life</u>.//</p>	(4)

Question Number	Answer	Mark
2(f)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> Increased market share/sales Fixed costs can be shared over a larger number of units of production/sales Economies of sale Expansion with a known and reliable customer Gives a positive contribution on extra output <p>Points against</p> <ul style="list-style-type: none"> Profit on extra packs sold to Tulip Supermarkets would be very low Profit on existing packs sold to Tulip supermarkets would be lowered Very small profit margin per pack of burgers sold to Tulip Supermarkets Probably higher fixed costs Other customers may request same discounts <p>NOT</p> <ul style="list-style-type: none"> Increased wastage Lower quality <p>// per valid point x Max two point in favour and two points against</p>	(8)

Question Number	Answer				Mark
3(a)	Journal				
		Dr	Cr		
		£	£		
	Eastern Drinks	180		✓	
	Suspense		180	✓	
	Bank	600		✓	
	Suspense		600	✓	
	Equipment	1 500		✓	
	ESB Sports		1 500	✓	
	Income and expenditure	300		✓	
	Provision for depreciation - equipment/ Depreciation		300	✓	(14)
	Subscriptions	100		✓	
	Bank		100	✓	
	Income and expenditure/Sundry expenses	3 090		✓	
	Mali Supplies		3 090	✓	
	Inventory / Refreshments	630		✓	
	Income and expenditure account/ Trading account		630	✓	

Question Number	Answer			Mark
3(b)	Corrected surplus/(deficit)			(6)
	£	£	£	
	Increase	Decrease		
	Original surplus		900 ✓	
	Depreciation	300	✓	
	Sundry expenses	3 090	✓	
	Inventory	<u>630</u>	✓	
		630	(3 390)	
Corrected deficit		<u>(1 860)</u> ✓✓ (✓of)		

Question Number	Answer	Mark																																																																																								
3(c)	<div><div>Arena Sports Club</div><div>Statement of Financial Position at 30 April 2013</div><table><thead><tr><th></th><th>Cost</th><th>Aggregate Depreciation</th><th>Carry Over</th></tr></thead><tbody><tr><td><u>Non-current assets</u></td><td>£</td><td>£</td><td>£</td></tr><tr><td>Clubhouse</td><td>30 000</td><td>4 200</td><td>25 800 £</td></tr><tr><td>Equipment</td><td><u>6 000</u></td><td><u>1 400</u></td><td><u>4 600</u> £</td></tr><tr><td></td><td><u>36 000</u></td><td><u>5 600</u></td><td>30 400</td></tr><tr><td><u>Current assets</u></td><td></td><td></td><td></td></tr><tr><td>Inventory (1 700 £+ 630 £)</td><td></td><td>2 330</td><td></td></tr><tr><td>Subs in arrears</td><td></td><td>220</td><td>£</td></tr><tr><td>Bank (5100 +600 £ - 100 £)</td><td></td><td><u>5 600</u></td><td></td></tr><tr><td></td><td></td><td></td><td><u>8 150</u></td></tr><tr><td></td><td></td><td></td><td><u>38 550</u></td></tr><tr><td></td><td></td><td>£</td><td>£</td></tr><tr><td>Accumulated fund</td><td></td><td>25 400</td><td></td></tr><tr><td>Less Deficit</td><td></td><td><u>(1 860)</u></td><td></td></tr><tr><td></td><td></td><td></td><td>23 540 £ of</td></tr><tr><td><u>Current liabilities</u></td><td></td><td></td><td></td></tr><tr><td>Trade payables (8 700£ -180£ +1 500£ +3 090£)</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>13 110</td><td></td></tr><tr><td>Other payables</td><td></td><td>600</td><td>£</td></tr><tr><td>Subs in advance(1 400 £ - 100 £)</td><td></td><td><u>1 300</u></td><td></td></tr><tr><td></td><td></td><td></td><td><u>15 010</u></td></tr><tr><td></td><td></td><td></td><td><u>38 550</u></td></tr></tbody></table></div>		Cost	Aggregate Depreciation	Carry Over	<u>Non-current assets</u>	£	£	£	Clubhouse	30 000	4 200	25 800 £	Equipment	<u>6 000</u>	<u>1 400</u>	<u>4 600</u> £		<u>36 000</u>	<u>5 600</u>	30 400	<u>Current assets</u>				Inventory (1 700 £+ 630 £)		2 330		Subs in arrears		220	£	Bank (5100 +600 £ - 100 £)		<u>5 600</u>					<u>8 150</u>				<u>38 550</u>			£	£	Accumulated fund		25 400		Less Deficit		<u>(1 860)</u>					23 540 £ of	<u>Current liabilities</u>				Trade payables (8 700£ -180£ +1 500£ +3 090£)						13 110		Other payables		600	£	Subs in advance(1 400 £ - 100 £)		<u>1 300</u>					<u>15 010</u>				<u>38 550</u>	(15)
	Cost	Aggregate Depreciation	Carry Over																																																																																							
<u>Non-current assets</u>	£	£	£																																																																																							
Clubhouse	30 000	4 200	25 800 £																																																																																							
Equipment	<u>6 000</u>	<u>1 400</u>	<u>4 600</u> £																																																																																							
	<u>36 000</u>	<u>5 600</u>	30 400																																																																																							
<u>Current assets</u>																																																																																										
Inventory (1 700 £+ 630 £)		2 330																																																																																								
Subs in arrears		220	£																																																																																							
Bank (5100 +600 £ - 100 £)		<u>5 600</u>																																																																																								
			<u>8 150</u>																																																																																							
			<u>38 550</u>																																																																																							
		£	£																																																																																							
Accumulated fund		25 400																																																																																								
Less Deficit		<u>(1 860)</u>																																																																																								
			23 540 £ of																																																																																							
<u>Current liabilities</u>																																																																																										
Trade payables (8 700£ -180£ +1 500£ +3 090£)																																																																																										
		13 110																																																																																								
Other payables		600	£																																																																																							
Subs in advance(1 400 £ - 100 £)		<u>1 300</u>																																																																																								
			<u>15 010</u>																																																																																							
			<u>38 550</u>																																																																																							

Question Number	Answer	Mark
3(d)(i) 3(d)(ii)	(i) The subscriptions total will be (30 x £30) less. / Income / surplus will be £900 lower / (ii) Bank will increase by (30 x £700 / - 30 x £100 /) £18 000 greater	(4)

Question Number	Answer				Mark
3(e)	10 Year Subscriptions account				(5)
		£		£	
	Income and expenditure √	2 100√	Bank (30 x £700)	21 000 √	
	Balance c/d	18 900√			
		<u>21 000</u>		<u>21 000</u>	
			Balance b/d	18 900 √of	

Question Number	Answer	Mark
3(f)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> • Cash flow up front • Ties members to the club for a long period • Reduce bad debts • Attract more members <p>Points against</p> <ul style="list-style-type: none"> • Lower overall subscriptions over the years affecting surplus • Services must be provided for ten years whatever the level of future costs <p>/ / per valid point x Max two point in favour and two points against</p>	(8)

Question Number	Answer	Mark
4(a)	<p>The partner's <u>loan is paid at 5% interest</u> unless otherwise agreed</p> <p>The <u>interest is charged</u> to the main body of the <u>income statement</u></p> <p>In the financial <u>position statement</u> it will appear as <u>a creditor due</u> in less than or over one year</p> <p>/ / x 2 points</p>	(4)

Question Number	Answer	Mark																																																																																				
4(b)(i)	<div><div>Appropriation Account</div><table><tr><td></td><td>£</td><td>£</td><td></td></tr><tr><td>Profit for the year</td><td></td><td>30 140</td><td>✓</td></tr><tr><td>Plus Interest on drawings:</td><td></td><td></td><td></td></tr><tr><td> Ashraf</td><td>360</td><td></td><td>✓</td></tr><tr><td> Bashar</td><td>140</td><td></td><td>✓</td></tr><tr><td> Chung</td><td><u>160</u></td><td></td><td>✓</td></tr><tr><td></td><td></td><td><u>660</u></td><td></td></tr><tr><td></td><td></td><td>30 800</td><td></td></tr><tr><td>Less Interest on capital:</td><td></td><td></td><td></td></tr><tr><td> Ashraf</td><td>1 500</td><td></td><td>✓✓</td></tr><tr><td> Bashar</td><td>900</td><td></td><td>✓✓</td></tr><tr><td> Chung (1 500 + 900)</td><td><u>2 400</u></td><td></td><td>✓✓</td></tr><tr><td></td><td></td><td>4 800</td><td></td></tr><tr><td>Salary:</td><td></td><td></td><td></td></tr><tr><td> Chung</td><td></td><td>8 000</td><td>✓</td></tr><tr><td>Share of residue:</td><td></td><td></td><td></td></tr><tr><td> Ashraf (4 000 + 3 600)</td><td>7 600</td><td></td><td>✓ of</td></tr><tr><td> Bashar(2 000 + 3 600)</td><td>5 600</td><td></td><td>✓ of</td></tr><tr><td> Chung (3 000 + 1 800)</td><td><u>4 800</u></td><td></td><td>✓ of</td></tr><tr><td></td><td></td><td><u>18 000</u></td><td></td></tr><tr><td></td><td></td><td><u>30 800</u></td><td></td></tr></table></div>		£	£		Profit for the year		30 140	✓	Plus Interest on drawings:				Ashraf	360		✓	Bashar	140		✓	Chung	<u>160</u>		✓			<u>660</u>				30 800		Less Interest on capital:				Ashraf	1 500		✓✓	Bashar	900		✓✓	Chung (1 500 + 900)	<u>2 400</u>		✓✓			4 800		Salary:				Chung		8 000	✓	Share of residue:				Ashraf (4 000 + 3 600)	7 600		✓ of	Bashar(2 000 + 3 600)	5 600		✓ of	Chung (3 000 + 1 800)	<u>4 800</u>		✓ of			<u>18 000</u>				<u>30 800</u>		(15)
	£	£																																																																																				
Profit for the year		30 140	✓																																																																																			
Plus Interest on drawings:																																																																																						
Ashraf	360		✓																																																																																			
Bashar	140		✓																																																																																			
Chung	<u>160</u>		✓																																																																																			
		<u>660</u>																																																																																				
		30 800																																																																																				
Less Interest on capital:																																																																																						
Ashraf	1 500		✓✓																																																																																			
Bashar	900		✓✓																																																																																			
Chung (1 500 + 900)	<u>2 400</u>		✓✓																																																																																			
		4 800																																																																																				
Salary:																																																																																						
Chung		8 000	✓																																																																																			
Share of residue:																																																																																						
Ashraf (4 000 + 3 600)	7 600		✓ of																																																																																			
Bashar(2 000 + 3 600)	5 600		✓ of																																																																																			
Chung (3 000 + 1 800)	<u>4 800</u>		✓ of																																																																																			
		<u>18 000</u>																																																																																				
		<u>30 800</u>																																																																																				

Question Number	Answer				Mark
4(b)(ii)	Capital Account of Chung				(3)
		£		£	
	Bank	8 000 ✓	Balance b/d	50 000	
	Loan	12 000 ✓			
	Balance c/d	<u>30 000</u>			
		<u>50 000</u>		<u>50 000</u>	
			Balance b/d	30 000 vof	

Question Number	Answer	Mark																																
4(b)(iii)	<div>Current Account of Chung</div> <table><tr><td></td><td>£</td><td></td><td>£</td></tr><tr><td>Balance b/d</td><td>200</td><td>Interest on capital</td><td>2 400 ✓ of</td></tr><tr><td>Int on drawings</td><td>160</td><td>Salary</td><td>8 000</td></tr><tr><td>Drawings</td><td>4 000 ✓</td><td>Loan interest</td><td>300 ✓</td></tr><tr><td>Salary paid</td><td>8 000 ✓</td><td>Share of profit</td><td>4 800 ✓ of</td></tr><tr><td>Balance c/d</td><td>3 140</td><td></td><td></td></tr><tr><td></td><td><u>15 500</u></td><td></td><td><u>15 500</u></td></tr><tr><td></td><td></td><td>Balance b/d</td><td>3 140 ✓ of</td></tr></table>		£		£	Balance b/d	200	Interest on capital	2 400 ✓ of	Int on drawings	160	Salary	8 000	Drawings	4 000 ✓	Loan interest	300 ✓	Salary paid	8 000 ✓	Share of profit	4 800 ✓ of	Balance c/d	3 140				<u>15 500</u>		<u>15 500</u>			Balance b/d	3 140 ✓ of	(6)
	£		£																															
Balance b/d	200	Interest on capital	2 400 ✓ of																															
Int on drawings	160	Salary	8 000																															
Drawings	4 000 ✓	Loan interest	300 ✓																															
Salary paid	8 000 ✓	Share of profit	4 800 ✓ of																															
Balance c/d	3 140																																	
	<u>15 500</u>		<u>15 500</u>																															
		Balance b/d	3 140 ✓ of																															
Question Number	Answer	Mark																																
4(c)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none">• Clarity upon the distribution of profit• Avoids disputes at a later date <p>Points against</p> <ul style="list-style-type: none">• Formality of creating the agreement• Cost of preparation <p>NOT</p> <ul style="list-style-type: none">• Cover for absence/holidays• Wide expertise available• Time consuming <p>✓✓ per valid point x Max one point in favour and one point against</p>	(4)																																

Question Number	Answer	Mark
5(a)	<p>Inventory rotation refers to the <u>physical movement</u> of inventory through the stores. The oldest stock will normally be sold first to avoid deterioration. ✓✓</p> <p>Inventory valuation refers to the <u>theoretical value</u> of the inventory that is sold or issued to production. ✓✓ This may be influenced by the need to charge the customer the most recent prices paid.</p>	(4)

Question Number	Answer	Mark																												
5(b)	<table><tr><td></td><td>Receipts</td><td>FIFO Sales</td><td>Balance</td></tr><tr><td>Balance</td><td></td><td></td><td>8 000 @ £0.80</td></tr><tr><td>January</td><td>15 000 @ £1</td><td>12 000</td><td>11 000 @ £1 ✓✓</td></tr><tr><td>February</td><td>15 000 @ £1.25</td><td>16 000</td><td>10 000 @ £1.25 ✓✓</td></tr><tr><td>March</td><td>12 000 @ £1.50</td><td>8 000</td><td>2 000 @ £1.25 ✓✓</td></tr><tr><td></td><td></td><td></td><td><u>12 000 @ £1.50</u></td></tr><tr><td></td><td></td><td></td><td>£20 500</td></tr></table>		Receipts	FIFO Sales	Balance	Balance			8 000 @ £0.80	January	15 000 @ £1	12 000	11 000 @ £1 ✓✓	February	15 000 @ £1.25	16 000	10 000 @ £1.25 ✓✓	March	12 000 @ £1.50	8 000	2 000 @ £1.25 ✓✓				<u>12 000 @ £1.50</u>				£20 500	(6)
	Receipts	FIFO Sales	Balance																											
Balance			8 000 @ £0.80																											
January	15 000 @ £1	12 000	11 000 @ £1 ✓✓																											
February	15 000 @ £1.25	16 000	10 000 @ £1.25 ✓✓																											
March	12 000 @ £1.50	8 000	2 000 @ £1.25 ✓✓																											
			<u>12 000 @ £1.50</u>																											
			£20 500																											

Question Number	Answer	Mark																																																				
5(c)	<div>Home Oil</div> <div>Statement of comprehensive income for the three months ended 31 March 2013</div> <table><thead><tr><th></th><th>£</th><th>£</th><th></th></tr></thead><tbody><tr><td>Revenue</td><td></td><td>62 000</td><td>✓</td></tr><tr><td>Less</td><td></td><td></td><td></td></tr><tr><td>Opening inventory</td><td>6 400</td><td></td><td>✓✓</td></tr><tr><td>Purchases</td><td><u>51 750</u></td><td></td><td>✓✓</td></tr><tr><td></td><td>58 150</td><td></td><td></td></tr><tr><td>Closing inventory</td><td><u>20 500</u></td><td></td><td>✓of</td></tr><tr><td>Cost of sales</td><td></td><td><u>37 650</u></td><td></td></tr><tr><td>Gross profit</td><td></td><td>24 350</td><td></td></tr><tr><td>Distribution costs</td><td>4 750</td><td></td><td>✓</td></tr><tr><td>Administrative costs</td><td><u>8 300</u></td><td></td><td>✓</td></tr><tr><td></td><td></td><td><u>13 050</u></td><td></td></tr><tr><td>Profit for the three months</td><td></td><td>11 300</td><td>✓✓ (✓of)</td></tr></tbody></table> <div>(10)</div>		£	£		Revenue		62 000	✓	Less				Opening inventory	6 400		✓✓	Purchases	<u>51 750</u>		✓✓		58 150			Closing inventory	<u>20 500</u>		✓of	Cost of sales		<u>37 650</u>		Gross profit		24 350		Distribution costs	4 750		✓	Administrative costs	<u>8 300</u>		✓			<u>13 050</u>		Profit for the three months		11 300	✓✓ (✓of)	
	£	£																																																				
Revenue		62 000	✓																																																			
Less																																																						
Opening inventory	6 400		✓✓																																																			
Purchases	<u>51 750</u>		✓✓																																																			
	58 150																																																					
Closing inventory	<u>20 500</u>		✓of																																																			
Cost of sales		<u>37 650</u>																																																				
Gross profit		24 350																																																				
Distribution costs	4 750		✓																																																			
Administrative costs	<u>8 300</u>		✓																																																			
		<u>13 050</u>																																																				
Profit for the three months		11 300	✓✓ (✓of)																																																			

Question Number	Answer					Mark
5(d)(i)	<u>LIFO</u>					(6)
		Receipts	Issues	Balance		
	Balance			8 000 @ £0.80		
	January	15 000 @ £1	12 000	8 000 @ £0.80	✓✓	
				3 000 @ £1		
	February	15 000 @ £1.25	16 000	8 000 @ £0.80	✓✓	
				2 000 @ £1		
	March	12 000 @ £1.50	8 000	8 000 @ £0.80	✓✓	
				2 000 @ £1		
				4 000 @ £1.50		
			£14 400			

Question Number	Answer	Mark
5(d)(ii)	The closing inventory will be £14 400 compared to the present £20 500. Therefore profit will be lower ✓✓ by £6 100	(2)

Question Number	Answer	Mark
5(e)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> • Profit will be more prudently lower • Issues to customers more accurately reflect replacement value <p>Points against</p> <ul style="list-style-type: none"> • Not approved by the tax authorities • Inventory does not reflect market replacement value • Does not reflect rotation <p>✓✓ per valid point x Max one point in favour and one point against</p>	(4)

Question Number	Answer	Mark																																																																				
6(a)(i)	<div>Shopalot</div> <div>Statement of Comprehensive Income for the year ended 30 April 2013</div> <table><thead><tr><th></th><th>£</th><th>£</th><th></th></tr></thead><tbody><tr><td>Revenue - Rent (£4 000 x 4 x 9)</td><td>144 000</td><td></td><td>✓</td></tr><tr><td>Service charge (£1 500 x 4 x 9)</td><td>54 000</td><td></td><td>✓</td></tr><tr><td>2% in income</td><td><u>27 000</u></td><td></td><td>✓</td></tr><tr><td></td><td></td><td>225 000</td><td></td></tr><tr><td>Less</td><td></td><td></td><td></td></tr><tr><td>Security</td><td>30 000</td><td></td><td>✓</td></tr><tr><td>Cleaning</td><td>21 000</td><td></td><td>✓</td></tr><tr><td>Administration</td><td>24 500</td><td></td><td>✓</td></tr><tr><td>Electricity</td><td>9 700</td><td></td><td>✓</td></tr><tr><td>Government rates</td><td>26 500</td><td></td><td>✓</td></tr><tr><td>Depreciation - Building</td><td>10 000</td><td></td><td>✓</td></tr><tr><td>Conversion</td><td>20 000</td><td></td><td>✓</td></tr><tr><td>Computers</td><td>45 000</td><td></td><td>✓</td></tr><tr><td>Loan interest</td><td><u>44 000</u></td><td></td><td>✓</td></tr><tr><td></td><td></td><td><u>230 700</u></td><td></td></tr><tr><td>Loss for the year</td><td></td><td><u>(5 700)</u></td><td></td></tr></tbody></table> <div>(12)</div>		£	£		Revenue - Rent (£4 000 x 4 x 9)	144 000		✓	Service charge (£1 500 x 4 x 9)	54 000		✓	2% in income	<u>27 000</u>		✓			225 000		Less				Security	30 000		✓	Cleaning	21 000		✓	Administration	24 500		✓	Electricity	9 700		✓	Government rates	26 500		✓	Depreciation - Building	10 000		✓	Conversion	20 000		✓	Computers	45 000		✓	Loan interest	<u>44 000</u>		✓			<u>230 700</u>		Loss for the year		<u>(5 700)</u>		
	£	£																																																																				
Revenue - Rent (£4 000 x 4 x 9)	144 000		✓																																																																			
Service charge (£1 500 x 4 x 9)	54 000		✓																																																																			
2% in income	<u>27 000</u>		✓																																																																			
		225 000																																																																				
Less																																																																						
Security	30 000		✓																																																																			
Cleaning	21 000		✓																																																																			
Administration	24 500		✓																																																																			
Electricity	9 700		✓																																																																			
Government rates	26 500		✓																																																																			
Depreciation - Building	10 000		✓																																																																			
Conversion	20 000		✓																																																																			
Computers	45 000		✓																																																																			
Loan interest	<u>44 000</u>		✓																																																																			
		<u>230 700</u>																																																																				
Loss for the year		<u>(5 700)</u>																																																																				

Question Number	Answer				Mark
6(a)(ii)	Bank Account				
		£		£	
	Investment	400 000	Non-current assets purchased	850 000 ✓	
	Loan	550 000 ✓	Security	30 000 ✓	
	Rent (144 000-8 000)	136 000 ✓	Cleaning	21 000 ✓	
	Service charge		Administration	24 500	
	(54 000 - 3 000)	51 000 ✓	Electricity and power	9 700	
	Income 2%	27 000	Government rates	17 500 ✓	
			Bank interest	44 000 ✓	
			Balance c/d	<u>167 300</u>	
		<u>1 164 000</u>		<u>1 164 000</u>	
	Balance b/d	167 300			(8)

Question Number	Answer	Mark																																				
6(b)	<div>Shopalot</div> <div>Statement of Financial Position extract at 30 April 2013</div> <table><thead><tr><th><u>Non-current assets</u></th><th>Cost</th><th>Aggregate depreciation</th><th>Carry over</th></tr><tr><td></td><td>£</td><td>£</td><td>£</td></tr></thead><tbody><tr><td>Buildings</td><td>700 000</td><td>30 000</td><td>670 000 ✓</td></tr><tr><td>Computer network</td><td><u>150 000</u></td><td><u>45 000</u></td><td><u>105 000</u> ✓</td></tr><tr><td></td><td><u>850 000</u></td><td><u>75 000</u></td><td>775 000</td></tr><tr><td colspan="4"><u>Current assets</u></td></tr><tr><td>Trade receivables (4 000 x 2 + 1 500 x 2)</td><td></td><td></td><td>11 000 ✓</td></tr><tr><td>Bank</td><td></td><td></td><td><u>167 300</u> ✓ of</td></tr><tr><td></td><td></td><td></td><td>178 300</td></tr></tbody></table> <div>(4)</div>	<u>Non-current assets</u>	Cost	Aggregate depreciation	Carry over		£	£	£	Buildings	700 000	30 000	670 000 ✓	Computer network	<u>150 000</u>	<u>45 000</u>	<u>105 000</u> ✓		<u>850 000</u>	<u>75 000</u>	775 000	<u>Current assets</u>				Trade receivables (4 000 x 2 + 1 500 x 2)			11 000 ✓	Bank			<u>167 300</u> ✓ of				178 300	
<u>Non-current assets</u>	Cost	Aggregate depreciation	Carry over																																			
	£	£	£																																			
Buildings	700 000	30 000	670 000 ✓																																			
Computer network	<u>150 000</u>	<u>45 000</u>	<u>105 000</u> ✓																																			
	<u>850 000</u>	<u>75 000</u>	775 000																																			
<u>Current assets</u>																																						
Trade receivables (4 000 x 2 + 1 500 x 2)			11 000 ✓																																			
Bank			<u>167 300</u> ✓ of																																			
			178 300																																			

Question Number	Answer	Mark
6(c)	ROCE $\frac{\text{Profit for the year before interest}}{\text{Capital} + \text{Non-current liabilities}} = \frac{(5\,700)\text{ of } + 44\,000\text{ of } \pounds}{400\,000 + 550\,000 \pounds} = 4\% \checkmark \checkmark \text{ of}$	(4)

Question Number	Answer	Mark
6(d)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> • A very strong cash position (of) • Further income and profit if tenth shop can be rented <p>Points against</p> <ul style="list-style-type: none"> • Loss for the year (of) • Building not fully occupied <p>NOT</p> <ul style="list-style-type: none"> • Total assets higher <p>✓✓ per valid point x Max one point in favour and one point against</p>	(4)

Question Number	Answer	Mark
7(a)(i)	Current ratio $\frac{50\,000 \pounds}{40\,000 \pounds} = 1.25:1 \checkmark$	(3)

Question Number	Answer	Mark
7(a)(ii)	Liquid acid test ratio $\frac{13\,000 \pounds}{40\,000 \pounds} = 0.325:1 \checkmark$	(3)

Question Number	Answer	Mark
7(b)	<p>Both ratios are low ✓</p> <p>There appears to be excess inventory ✓</p>	(2)

Question Number	Answer				Mark	
7(c)					(12)	
		Current Assets		Current Liabilities		
		Plus, minus ,no effect	Value (£)	Plus, minus ,no effect		Value (£)
	Action 1	Minus↵	1 000 ↵	Minus ↵		£5 000 ↵
	Action 2	Minus ↵	5 000 ↵	Minus ↵		£4 500 ↵
	Action 3	No effect ↵	£0 ↵	Minus ↵		£600 ↵

Question Number	Answer	Mark																		
7(d)	<p style="text-align: center;">Adnam</p> <p style="text-align: center;">Statement Financial Position at 30 March 2013</p> <p style="text-align: right;">£</p> <table> <tr> <td colspan="3">Current Assets</td></tr> <tr> <td>Inventory</td><td>(37 000 £ - 16 000 £)</td><td>21 000</td></tr> <tr> <td>Trade receivables</td><td>(13 000+10 000 £-5 000£)</td><td>18 000</td></tr> <tr> <td colspan="3">Current Liabilities</td></tr> <tr> <td>Trade payables</td><td>(35 000 - 12 000)</td><td>23 000 £</td></tr> <tr> <td>Bank overdraft</td><td>(-5 000 + 10 000 £+ 4 500 £- 11 400£)</td><td>1 900</td></tr> </table>	Current Assets			Inventory	(37 000 £ - 16 000 £)	21 000	Trade receivables	(13 000+10 000 £-5 000£)	18 000	Current Liabilities			Trade payables	(35 000 - 12 000)	23 000 £	Bank overdraft	(-5 000 + 10 000 £+ 4 500 £- 11 400£)	1 900	(8)
Current Assets																				
Inventory	(37 000 £ - 16 000 £)	21 000																		
Trade receivables	(13 000+10 000 £-5 000£)	18 000																		
Current Liabilities																				
Trade payables	(35 000 - 12 000)	23 000 £																		
Bank overdraft	(-5 000 + 10 000 £+ 4 500 £- 11 400£)	1 900																		

Question Number	Answer	Mark
7(e)	<p>Valid points may include:</p> <p>Points for</p> <ul style="list-style-type: none"> • Inventory is reduced • Trade payables reduced • Liquidity has improved <p>Points against</p> <ul style="list-style-type: none"> • Still no funds in the bank (of) • Trade receivables increased and need to recover debts <p>££ per valid point x Max one point in favour and one point against</p>	(4)

Further copies of this publication are available from
Edexcel Publications, Adamsway, Mansfield, Notts, NG18 4FN

Telephone 01623 467467

Fax 01623 450481

Email publication.orders@edexcel.com

Order Code UA035278 Summer 2013

For more information on Edexcel qualifications, please visit our website
www.edexcel.com

Pearson Education Limited. Registered company number 872828
with its registered office at Edinburgh Gate, Harlow, Essex CM20 2JE



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

