



# Mark Scheme (Results)

June 2014

International GCSE Accounting (4AC0)

## 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.

Section B

Question Number	Answer	Mark
11(a)	<p>Award <b>(1)</b> mark for a correctly stated benefit.</p> <p><b>Sample answers.</b></p> <p>Enable the total of debtors (and/or creditors) to be readily available. Helpful when preparing final accounts.</p> <p>Provide a check on the accuracy of the ledgers.</p> <p>To help the prevention or detection of fraud.</p> <p><b>(Do not accept 'detects errors')</b></p>	(1)

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11(b)	<table><tr><th colspan="6">Sales Ledger Control Account</th></tr><tr><th>Date</th><th>Narrative</th><th>Amount (£)</th><th>Date</th><th>Narrative</th><th>Amount (£)</th></tr><tr><td>Dec 1</td><td>Bal b/f</td><td>6 878 <b>(1)</b></td><td>Dec 31</td><td>Returns in</td><td>5 931 <b>(1)</b></td></tr><tr><td>Dec 31</td><td>Credit sales</td><td>81 257 <b>(1)</b></td><td>Dec 31</td><td>Bad debts</td><td>630 <b>(1)</b></td></tr><tr><td>Dec 31</td><td>Dis cheque</td><td>500 <b>(1)</b></td><td>Dec 31</td><td>Cash book</td><td>68 975 <b>(1)</b></td></tr><tr><td></td><td></td><td></td><td>Dec 31</td><td>Discount allowed</td><td>3 200 <b>(1)</b></td></tr><tr><td></td><td></td><td></td><td>Dec 31</td><td>PL Set off</td><td>650 <b>(1)</b></td></tr><tr><td></td><td></td><td></td><td>Dec 31</td><td>Bal c/d</td><td>9 249</td></tr><tr><td></td><td></td><td><u>88 635</u></td><td></td><td></td><td><u>88 635</u></td></tr><tr><td>Jan 1</td><td>Bal b/d</td><td>9 249 <b>(1of)</b></td><td></td><td></td><td></td></tr></table> <table><tr><th colspan="6">Purchases Ledger Control Account</th></tr><tr><th>Date</th><th>Narrative</th><th>Amount (£)</th><th>Date</th><th>Narrative</th><th>Amount (£)</th></tr><tr><td>Dec 31</td><td>Returns out</td><td>2 497<b>(1)</b></td><td>Dec 1</td><td>Bal b/f</td><td>4 932 <b>(1)</b></td></tr><tr><td>Dec 31</td><td>Cash book</td><td>39 874 <b>(1)</b></td><td>Dec 31</td><td>Credit purchases</td><td>49 369 <b>(1)</b></td></tr><tr><td>Dec 31</td><td>Discount received</td><td>4 587 <b>(1)</b></td><td></td><td></td><td></td></tr><tr><td>Dec 31</td><td>SL set off</td><td>650 <b>(1)</b></td><td></td><td></td><td></td></tr><tr><td>Dec 31</td><td>Bal c/d</td><td>6 693</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td><u>54301</u></td><td></td><td></td><td><u>54 301</u></td></tr><tr><td></td><td></td><td></td><td>Jan 1</td><td>Bal b/d</td><td>6693 <b>(1of)</b></td></tr></table>	Sales Ledger Control Account						Date	Narrative	Amount (£)	Date	Narrative	Amount (£)	Dec 1	Bal b/f	6 878 <b>(1)</b>	Dec 31	Returns in	5 931 <b>(1)</b>	Dec 31	Credit sales	81 257 <b>(1)</b>	Dec 31	Bad debts	630 <b>(1)</b>	Dec 31	Dis cheque	500 <b>(1)</b>	Dec 31	Cash book	68 975 <b>(1)</b>				Dec 31	Discount allowed	3 200 <b>(1)</b>				Dec 31	PL Set off	650 <b>(1)</b>				Dec 31	Bal c/d	9 249			<u>88 635</u>			<u>88 635</u>	Jan 1	Bal b/d	9 249 <b>(1of)</b>				Purchases Ledger Control Account						Date	Narrative	Amount (£)	Date	Narrative	Amount (£)	Dec 31	Returns out	2 497 <b>(1)</b>	Dec 1	Bal b/f	4 932 <b>(1)</b>	Dec 31	Cash book	39 874 <b>(1)</b>	Dec 31	Credit purchases	49 369 <b>(1)</b>	Dec 31	Discount received	4 587 <b>(1)</b>				Dec 31	SL set off	650 <b>(1)</b>				Dec 31	Bal c/d	6 693						<u>54301</u>			<u>54 301</u>				Jan 1	Bal b/d	6693 <b>(1of)</b>	(16)
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12(b)	<table><tr><th>Formula</th><th>Working capital ratio</th></tr><tr><td>Current assets/current liabilities (1)</td><td>90210/30070 (1 for both of) = 3:1 (1 of)</td></tr></table>		Formula	Working capital ratio	Current assets/current liabilities (1)	90210/30070 (1 for both of) = 3:1 (1 of)	(3)
Formula	Working capital ratio						
Current assets/current liabilities (1)	90210/30070 (1 for both of) = 3:1 (1 of)						

Question Number	Answer						Mark
13(c)		Error	Account(s) to be debited	Amount (£)	Account(s) to be credited	Amount (£)	(8)
		1	Purchases	500 <b>(1)</b>	Supplier/Creditors control	500 <b>(1)</b>	
		2	Suspense	720 <b>(1)</b>	Purchases	720 <b>(1)</b>	
		3	Suspense	245 <b>(1)</b>	Sales	245 <b>(1)</b>	
		4	Suspense	136 <b>(1)</b>	Discount allowed	68 <b>(1 for both)</b>	
					Discount received	68	
	Award <b>(1)</b> mark for <b>each</b> correct entry – mark for both correct account name and amount. Do not accept names of books.						

Question Number	Answer				Mark
14 (a)	Date	Transaction	Explanation	Double Entry	(8)
	Oct 12	Cash book	A cheque or cash payment has been made for insurance (1)	Credit side of the bank/cash account OR credit cash book (1)	
	Oct 12	Discount	Cash discount received (1) by Rekha	Credit side of the discount received account (1)	
	Oct 31	Profit and loss	The transfer to the profit and loss account for the expense of insurance for the period (1)	Debit side of the profit and loss account (1)	
	Oct 31	Balance c/d	The value of insurance prepaid/paid in advance (1) at the end of the period.	Debit side of the insurance account (1)	

Question Number	Answer	Mark																														
15 (b)	<div><div>Provision for doubtful debts account</div><table><tr><th>Date</th><th>Narrative</th><th>Amount (£)</th><th>Date</th><th>Narrative</th><th>Amount (£)</th></tr><tr><td>Mar 31</td><td>Bal c/d</td><td>2 000</td><td>Apr 1</td><td>Bal b/f</td><td>1 750 (1cf)</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>Profit and loss (1)</td><td>250 (2cf)</td></tr><tr><td></td><td></td><td><u>2 000</u></td><td></td><td></td><td><u>2 000</u></td></tr><tr><td></td><td></td><td></td><td>Apr 1</td><td>Bal b/d</td><td>2 000 (1of)</td></tr></table></div>	Date	Narrative	Amount (£)	Date	Narrative	Amount (£)	Mar 31	Bal c/d	2 000	Apr 1	Bal b/f	1 750 (1cf)				Mar 31	Profit and loss (1)	250 (2cf)			<u>2 000</u>			<u>2 000</u>				Apr 1	Bal b/d	2 000 (1of)	(5)
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Question Number	Answer	Mark
15 (c)	<p><b>Increase (1)</b></p> <p>As Barat's debtors have decreased then his provision would also decrease resulting in additional income <b>(1)</b> which would increase his profit.</p>	(2)