



Pearson

Mark Scheme (Results)

Summer 2017

Pearson Edexcel International GCSE
In Accounting (4AC0) Paper 01

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Summer 2017

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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.

Section A: multiple choice

Question Number	Answer	Mark
1	A	(1)
Question Number	Answer	Mark
2	A	(1)
Question Number	Answer	Mark
3	B	(1)
Question Number	Answer	Mark
4	A	(1)
Question Number	Answer	Mark
5	B	(1)
Question Number	Answer	Mark
6	C	(1)
Question Number	Answer	Mark
7	B	(1)
Question Number	Answer	Mark
8	A	(1)
Question Number	Answer	Mark
9	B	(1)
Question Number	Answer	Mark
10	B	(1)

Question Number	Answer	Mark																																																
11(a)	<p>Award marks for correct amounts as indicated. Award 1 mark for ALL correct dates and narratives</p> <p style="text-align: center;">Sales ledger control account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Narrative</th> <th>£</th> <th>Date</th> <th>Narrative</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Mar 1</td> <td>Bal b/f</td> <td>4290 (1)</td> <td>Mar 31</td> <td>Returns inwards</td> <td>320 (1)</td> </tr> <tr> <td>Mar 31</td> <td>Sales</td> <td>4 800 (1)</td> <td></td> <td>Bad debts</td> <td>253 (1)</td> </tr> <tr> <td></td> <td>Bank</td> <td>210 (1)</td> <td></td> <td>Bank</td> <td>5 421 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Discount allowed</td> <td>for both 66</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Bal c/d</td> <td>3 240</td> </tr> <tr> <td></td> <td></td> <td><u>9 300</u></td> <td></td> <td></td> <td><u>9 300</u></td> </tr> <tr> <td>Apr 1</td> <td>Bal b/d</td> <td>3 240 (1) of</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Narrative	£	Date	Narrative	£	Mar 1	Bal b/f	4290 (1)	Mar 31	Returns inwards	320 (1)	Mar 31	Sales	4 800 (1)		Bad debts	253 (1)		Bank	210 (1)		Bank	5 421 (1)					Discount allowed	for both 66					Bal c/d	3 240			<u>9 300</u>			<u>9 300</u>	Apr 1	Bal b/d	3 240 (1) of				(8)
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Question Number	Answer	Mark
11 (b)	Award 1 mark for correct date, details and amounts in combination. Award 1 mark for total line	(9)

Purchases Book

Date	Name	£	£	£
Apr 3	T Hinds	288.00	57.60	345.60 (1)
Apr 6	R Tibbs	1 251.00	250.20	1 501.20 (1)
Apr 12	W Brown	801.00	160.20	961.20 (1)
Apr 28	T Hinds	405.00	81.00	486.00 (1)
Apr 30	W Brown	684.00	136.80	820.80 (1)
	Total for month	<u>3 429.00</u>	<u>685.80</u>	<u>4 114.80</u> (1of)

Purchases Returns Book

Date	Name	£	£	£
Apr 10	T Hinds	77.40	15.48	92.88 (1)
Apr 24	R Tibbs	189.00	37.80	226.80 (1)
	Total for month	<u>266.40</u>	<u>53.28</u>	<u>319.68</u> (1of)

Question Number	Answer	Mark
11 (c)	<p>Award 1 mark for each correctly stated reason (max 3)</p> <p>Sample responses</p> <p>Purchasing large or bulk quantities</p> <p>To encourage repeat business</p> <p>For businesses in the same trade</p>	(3)

Question Number	Answer	Mark																																																															
12 (a)	<p>Award 1 mark for each correct figure</p> <p style="text-align: center;">R Hopkins Balance Sheet as at 28 February 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">£</th> <th style="text-align: center;">£</th> </tr> </thead> <tbody> <tr> <td>Fixed assets</td> <td></td> <td></td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: right;">15 400</td> <td></td> </tr> <tr> <td>Fixtures and fittings</td> <td style="text-align: right;"><u>1 900</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">17 300 (1)</td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">5 521</td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">7 429</td> <td></td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">3 126</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: right;"><u>289</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">16 365</td> <td></td> </tr> <tr> <td>Current liabilities</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">5 288</td> <td></td> </tr> <tr> <td>Working Capital</td> <td></td> <td style="text-align: right;"><u>11 077</u>(1 of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>28 377</u>(1of)</td> </tr> <tr> <td>Financed by</td> <td></td> <td></td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">10 000</td> <td></td> </tr> <tr> <td>Net profit</td> <td style="text-align: right;">23 698</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>33 698</u></td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">5 321</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>28 377</u>(1)</td> </tr> </tbody> </table>		£	£	Fixed assets			Motor vehicles	15 400		Fixtures and fittings	<u>1 900</u>				17 300 (1)	Current assets			Stock	5 521		Debtors	7 429		Cash at bank	3 126		Cash in hand	<u>289</u>			16 365		Current liabilities			Creditors	5 288		Working Capital		<u>11 077</u> (1 of)			<u>28 377</u> (1of)	Financed by			Capital	10 000		Net profit	23 698			<u>33 698</u>		Drawings	5 321				<u>28 377</u> (1)	(4)
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Current assets		
Stock	5 521	
Debtors	7 429	
Cash at bank	3 126	
Cash in hand	<u>289</u>	
	16 365	16 365
Total assets		<u>33665</u> (1of)
Equity and Liabilities		
Equity		
Opening balance	10 000	
Net profit	23 698	
	<u>33 698</u>	
Drawings	5 321	
		28 377 (1)
Current liabilities		
Creditors		5 288
Total equity and liabilities		<u>33665</u> (1of)

Question Number	Answer	Mark
12 (b)	Principle/principle (1)	(1)

Question Number	Mark	Mark
12 (c)	Award marks for correct details and amounts in combination.	(10)
The Journal		
		Debit Credit
(1)	Drawings	350 (1)
	Purchases	350 (1)
(2)	Profit and loss	475 (1)
	Provision for depreciation	475 (1)
(3)	Motor vehicles	12 000 (1)
	DEF Traders	12 000 (1)
(4)	Bad debts	876 (1)
	Sales ledger control account	876 (1)
(5)	Motor vehicle expenses	1 500 (1)
	Motor vehicle	1 500 (1)
Question Number	Answer	Mark
12 (d)	Award mark for correct figures only New vehicle 12 000 – expenses 1 500 (1) x 25% (1) = 2 625 (1of)	(3)
Question Number	Answer	Mark
12 (e)	Award (1) mark for each correct response Acceptable responses: Consistency/consistency (1) Accruals/accruals / Matching/matching (1)	(2)

Question Number	Answer	Mark																																							
13 (a)	<p>Award 1 mark for each correct figure</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">£</th> <th style="text-align: center;">£</th> </tr> </thead> <tbody> <tr> <td colspan="3">Assets</td> </tr> <tr> <td>Clubhouse</td> <td style="text-align: right;">5 000</td> <td></td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">3 000</td> <td></td> </tr> <tr> <td>Stock of refreshments</td> <td style="text-align: right;">421</td> <td></td> </tr> <tr> <td>Subs in arrears</td> <td style="text-align: right;">340</td> <td></td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">1 267</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">10 028 (1)</td> </tr> <tr> <td colspan="3">Liabilities</td> </tr> <tr> <td>Subs in advance</td> <td style="text-align: right;">200</td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">152</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">352 (1)</td> </tr> <tr> <td>Accumulated Fund</td> <td></td> <td style="text-align: right;">9 676 (1of)</td> </tr> </tbody> </table>		£	£	Assets			Clubhouse	5 000		Equipment	3 000		Stock of refreshments	421		Subs in arrears	340		Cash	1 267				10 028 (1)	Liabilities			Subs in advance	200		Creditors	152				352 (1)	Accumulated Fund		9 676 (1of)	(3)
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13 (c)	<p>Award 1 mark for correct label and figure</p> <p style="text-align: center;">Bowlers Cricket Club Refreshments trading account Year ended 31 March 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">£</th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td></td> <td style="text-align: right;">5 433 (1)</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening stock</td> <td style="text-align: right;">421 (1)</td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">3 061 (3)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">3 482</td> <td></td> </tr> <tr> <td>Closing stock</td> <td style="text-align: right;">389 (1)</td> <td></td> </tr> <tr> <td>Cost of sales</td> <td></td> <td style="text-align: right;">3 093 (1of)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">2 340(1of)</td> </tr> </tbody> </table> <p>Calculation of purchases figure: 3070 (1) – 152 (1) +143 (1) = 3061</p>		£	£	Sales		5 433 (1)	Cost of sales			Opening stock	421 (1)		Purchases	3 061 (3)			3 482		Closing stock	389 (1)		Cost of sales		3 093 (1of)	Gross profit		2 340 (1of)	(8)									
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14 (b)	<p>Award (1) mark for comments on each category of ratio. Comments must relate to both businesses.</p> <p>Award (1) mark for identifying that Blair is the more profitable business with a further (1) mark for justification.</p> <p>Sample answer</p> <p>The gross profit percentage for Brown indicates that he is marking up his goods by a larger percentage than Blair (1). However the net profit percentage for Blair indicates that he has better control of his overheads than Brown (1). This is reflected in the return on capital employed where Blair’s return on capital indicates that he is receiving a better return on the capital invested compared to Brown (1).</p> <p>Overall it would appear that Blair is more profitable (1) than Brown as his net profit as a percentage of sales is higher than Brown and he is receiving a higher return on his capital employed (1)</p>	(5)																

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15 (a)	<p>Award 1 mark for each correct category</p> <table border="1" data-bbox="384 416 1219 1032"> <thead> <tr> <th data-bbox="384 450 663 528">Transaction</th> <th data-bbox="663 450 943 528">Capital expenditure</th> <th data-bbox="943 450 1219 528">Revenue expenditure</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 528 663 595">Insurance</td> <td data-bbox="663 528 943 595"></td> <td data-bbox="943 528 1219 595">✓ (1)</td> </tr> <tr> <td data-bbox="384 595 663 663">Delivery charge</td> <td data-bbox="663 595 943 663">✓ (1)</td> <td data-bbox="943 595 1219 663"></td> </tr> <tr> <td data-bbox="384 663 663 730">Import duty</td> <td data-bbox="663 663 943 730">✓ (1)</td> <td data-bbox="943 663 1219 730"></td> </tr> <tr> <td data-bbox="384 730 663 842">Maintenance contract</td> <td data-bbox="663 730 943 842"></td> <td data-bbox="943 730 1219 842">✓ (1)</td> </tr> <tr> <td data-bbox="384 842 663 954">Operator training cost</td> <td data-bbox="663 842 943 954">✓ (1)</td> <td data-bbox="943 842 1219 954"></td> </tr> <tr> <td data-bbox="384 954 663 1032">Installation</td> <td data-bbox="663 954 943 1032">✓ (1)</td> <td data-bbox="943 954 1219 1032"></td> </tr> </tbody> </table>	Transaction	Capital expenditure	Revenue expenditure	Insurance		✓ (1)	Delivery charge	✓ (1)		Import duty	✓ (1)		Maintenance contract		✓ (1)	Operator training cost	✓ (1)		Installation	✓ (1)		(6)
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Insurance		✓ (1)																					
Delivery charge	✓ (1)																						
Import duty	✓ (1)																						
Maintenance contract		✓ (1)																					
Operator training cost	✓ (1)																						
Installation	✓ (1)																						

Question Number	Answer	Mark
15 (b)	<p>Award (1) mark for comment related to the effect on the profit and loss account and (1) mark for the effect on the balance sheet.</p> <p>Award up to (2) marks for a relevant example.</p> <p>Award (1) mark for a conclusion.</p> <p>Sample response</p> <p>The incorrect treatment of revenue expenditure would result in the net profit being either overstated or understated (1).</p> <p>The incorrect treatment of capital expenditure would result in the fixed assets section of the balance sheet being either overstated or understated (1).</p> <p>If, for example, a business enters the purchase of a motor vehicle in the motor expenses account this would result in the net profit being understated (1) and the value of the motor vehicles in the balance sheet being understated (1).</p> <p>By treating capital expenditure and revenue expenditure incorrectly would result in the financial statements not providing a true and fair view of the business (1).</p>	(5)

