



Pearson

# **Mark Scheme (Results)**

## Summer 2017

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

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

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

## Purchases Book

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

## Purchases Returns Book

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

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

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

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

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



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<b>13 (c)</b>	<p><b>Award 1 mark for correct label and figure</b></p> <p style="text-align: center;"><b>Bowlers Cricket Club</b>  <b>Refreshments trading account</b>  <b>Year ended 31 March 2017</b></p> <table border="1"> <thead> <tr> <th></th><th>£</th><th>£</th></tr> </thead> <tbody> <tr> <td><b>Sales</b></td><td></td><td>5 433 <b>(1)</b></td></tr> <tr> <td>Cost of sales</td><td></td><td></td></tr> <tr> <td>Opening stock</td><td>421 <b>(1)</b></td><td></td></tr> <tr> <td>Purchases</td><td>3 061 <b>(3)</b></td><td></td></tr> <tr> <td></td><td>3 482</td><td></td></tr> <tr> <td>Closing stock</td><td>389 <b>(1)</b></td><td></td></tr> <tr> <td>Cost of sales</td><td></td><td>3 093 <b>(1of)</b></td></tr> <tr> <td><b>Gross profit</b></td><td></td><td>2 340 <b>(1of)</b></td></tr> </tbody> </table> <p><b>Calculation of purchases figure:</b>  <b>3070 (1) – 152 (1) +143 (1) = 3061</b></p>		£	£	<b>Sales</b>		5 433 <b>(1)</b>	Cost of sales			Opening stock	421 <b>(1)</b>		Purchases	3 061 <b>(3)</b>			3 482		Closing stock	389 <b>(1)</b>		Cost of sales		3 093 <b>(1of)</b>	<b>Gross profit</b>		2 340 <b>(1of)</b>	<b>(8)</b>									
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14 (a)	<p><b>Award 1 mark for each correct figure</b></p> <table><tr><th>Ratio</th><th>Formula</th><th>Brown</th><th>Blair</th></tr><tr><td>Gross profit percentage</td><td>GP/Sales x 100 <b>(1)</b></td><td>45% <b>(1)</b></td><td>25 % <b>(1)</b></td></tr><tr><td>Net profit percentage</td><td>NP/Sales x 100 <b>(1)</b></td><td>10 % <b>(1)</b></td><td>15% <b>(1)</b></td></tr><tr><td>Return on capital employed</td><td>NP/Capital employed x 100<b>(1)</b></td><td>8% <b>(1)</b></td><td>12% <b>(1)</b></td></tr></table>	Ratio	Formula	Brown	Blair	Gross profit percentage	GP/Sales x 100 <b>(1)</b>	45% <b>(1)</b>	25 % <b>(1)</b>	Net profit percentage	NP/Sales x 100 <b>(1)</b>	10 % <b>(1)</b>	15% <b>(1)</b>	Return on capital employed	NP/Capital employed x 100 <b>(1)</b>	8% <b>(1)</b>	12% <b>(1)</b>	(9)
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14 (b)	<p><b>Award (1) mark for comments on each category of ratio. Comments must relate to both businesses.</b></p> <p><b>Award (1) mark for identifying that Blair is the more profitable business with a further (1) mark for justification.</b></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 <b>(1)</b>. However the net profit percentage for Blair indicates that he has better control of his overheads than Brown <b>(1)</b>. 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 <b>(1)</b>.</p> <p>Overall it would appear that Blair is more profitable <b>(1)</b> 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 <b>(1)</b></p>	(5)																

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<b>15 (a)</b>	<p><b>Award 1 mark for each correct category</b></p> <table> <tr> <td></td><td></td><td></td></tr> <tr> <td><b>Transaction</b></td><td><b>Capital expenditure</b></td><td><b>Revenue expenditure</b></td></tr> <tr> <td>Insurance</td><td></td><td>✓ (1)</td></tr> <tr> <td>Delivery charge</td><td>✓ (1)</td><td></td></tr> <tr> <td>Import duty</td><td>✓ (1)</td><td></td></tr> <tr> <td>Maintenance contract</td><td></td><td>✓ (1)</td></tr> <tr> <td>Operator training cost</td><td>✓ (1)</td><td></td></tr> <tr> <td>Installation</td><td>✓ (1)</td><td></td></tr> </table>				<b>Transaction</b>	<b>Capital expenditure</b>	<b>Revenue expenditure</b>	Insurance		✓ (1)	Delivery charge	✓ (1)		Import duty	✓ (1)		Maintenance contract		✓ (1)	Operator training cost	✓ (1)		Installation	✓ (1)		<b>(6)</b>
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<b>15 (b)</b>	<p><b>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.</b></p> <p><b>Award up to (2) marks for a relevant example.</b></p> <p><b>Award (1) mark for a conclusion.</b></p> <p><b>Sample response</b></p> <p>The incorrect treatment of revenue expenditure would result in the net profit being either overstated or understated <b>(1)</b>.</p> <p>The incorrect treatment of capital expenditure would result in the fixed assets section of the balance sheet being either overstated or understated <b>(1)</b>.</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 <b>(1)</b> and the value of the motor vehicles in the balance sheet being understated <b>(1)</b>.</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 <b>(1)</b>.</p>	<b>(5)</b>

