



Mark Scheme (Results)

January 2013

International GCSE Accounting
(4AC0/01)

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 visit our qualifications websites at www.edexcel.com or www.btec.co.uk for our BTEC qualifications.

Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

If you have any subject specific questions about this specification that require the help of a subject specialist, you can speak directly to the subject team at Pearson. Their contact details can be found on this link: www.edexcel.com/teachingservices.

You can also use our online Ask the Expert service at www.edexcel.com/ask. You will need an Edexcel username and password to access this service.

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

January 2013

Publications Code UG034161

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.

Section A

Question Number	Answer	Mark
1	A	(1)

Question Number	Answer	Mark
2	D	(1)

Question Number	Answer	Mark
3	B	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	B	(1)

Question Number	Answer	Mark
6	C	(1)

Question Number	Answer	Mark
7	A	(1)

Question Number	Answer	Mark
8	B	(1)

Question Number	Answer	Mark
9	A	(1)

Question Number	Answer	Mark
10	C	(1)

Section B

Question Number	Answer	Mark																																										
11(a)	Roberto Account	(8)																																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Narration</th> <th>£</th> <th>Date</th> <th>Narration</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Nov 1</td> <td>Balance b/d</td> <td>500 (1 cf)</td> <td>Nov 12</td> <td>Sales returns</td> <td>60 (2 cf)</td> </tr> <tr> <td>Nov 4</td> <td>Sales</td> <td>450 (1 cf)</td> <td>Nov 24</td> <td>Bank</td> <td>475 (1cf)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Nov 24</td> <td>Discount allowed (1)</td> <td>25 (1cf)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Nov 30</td> <td>Balance c/d</td> <td>390</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">950</td> <td></td> <td></td> <td style="text-align: right;">950</td> </tr> <tr> <td>Dec 1</td> <td>Balance b/d</td> <td>390 (1of)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Date	Narration	£	Date	Narration	£	Nov 1	Balance b/d	500 (1 cf)	Nov 12	Sales returns	60 (2 cf)	Nov 4	Sales	450 (1 cf)	Nov 24	Bank	475 (1cf)				Nov 24	Discount allowed (1)	25 (1cf)				Nov 30	Balance c/d	390			950			950	Dec 1	Balance b/d	390 (1of)			
Date	Narration		£	Date	Narration	£																																						
Nov 1	Balance b/d		500 (1 cf)	Nov 12	Sales returns	60 (2 cf)																																						
Nov 4	Sales		450 (1 cf)	Nov 24	Bank	475 (1cf)																																						
				Nov 24	Discount allowed (1)	25 (1cf)																																						
				Nov 30	Balance c/d	390																																						
			950			950																																						
Dec 1	Balance b/d	390 (1of)																																										

Question Number	Answer	Mark
11(b)	Current Assets	(1)

Question Number	Answer	Mark
11(c)	<p>Trade discount Trade discount is an allowance given to businesses in the same trade (1) and is given either to encourage loyalty (1) or bulk buying (1) (Max 2)</p> <p>Cash discount Cash discount is given to customers as an incentive to pay their accounts promptly (1) which may reduce the number of bad debts (1) and improve the cash flow of the business (1) (Max 2)</p>	(4)

Question Number	Answer	Mark				
11(d)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Debit</td> <td>Discount allowed (1)</td> </tr> <tr> <td>Credit</td> <td>Roberto (accept customer) (1)</td> </tr> </table>	Debit	Discount allowed (1)	Credit	Roberto (accept customer) (1)	(2)
Debit	Discount allowed (1)					
Credit	Roberto (accept customer) (1)					

Question Number	Answer	Mark																														
12(a)	<p style="text-align: center;">Ganchi Limited Appropriation Account Year ended 31 October 2012</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">£000</th> <th style="width: 20%; text-align: center;">£000</th> </tr> </thead> <tbody> <tr> <td>Net profit</td> <td></td> <td style="text-align: center;">125</td> </tr> <tr> <td>Transfer to general reserve</td> <td style="text-align: center;">10 (1)</td> <td></td> </tr> <tr> <td>Ordinary share dividend:</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Interim paid</td> <td style="text-align: center;">50 (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Final proposed</td> <td style="text-align: center;">25 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">85</td> </tr> <tr> <td>Retained profit for the year</td> <td></td> <td style="text-align: center;">40</td> </tr> <tr> <td>Profit and loss account balance b/f</td> <td></td> <td style="text-align: center;">175</td> </tr> <tr> <td>Retained profit c/f</td> <td></td> <td style="text-align: center;">215 (1)</td> </tr> </tbody> </table>		£000	£000	Net profit		125	Transfer to general reserve	10 (1)		Ordinary share dividend:			Interim paid	50 (1)		Final proposed	25 (1)				85	Retained profit for the year		40	Profit and loss account balance b/f		175	Retained profit c/f		215 (1)	(4)
	£000	£000																														
Net profit		125																														
Transfer to general reserve	10 (1)																															
Ordinary share dividend:																																
Interim paid	50 (1)																															
Final proposed	25 (1)																															
		85																														
Retained profit for the year		40																														
Profit and loss account balance b/f		175																														
Retained profit c/f		215 (1)																														

Question Number	Answer	Mark																																																																																																												
12(b)	<p style="text-align: center;">Ganchi Limited Balance Sheet at 31 October 2012</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">£000</th> <th style="text-align: center;">£000</th> <th style="text-align: center;">£000</th> </tr> <tr> <th style="text-align: left;">Fixed Assets</th> <th style="text-align: center;">Cost</th> <th style="text-align: center;">Total Depreciation</th> <th style="text-align: center;">Net Book Value</th> </tr> </thead> <tbody> <tr> <td>Land and Buildings</td> <td style="text-align: center;">650</td> <td style="text-align: center;">-</td> <td style="text-align: center;">650</td> </tr> <tr> <td>Motor vehicles</td> <td style="text-align: center;"><u>65</u></td> <td style="text-align: center;"><u>25</u></td> <td style="text-align: center;"><u>40</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>315</u></td> <td style="text-align: center;"><u>25</u></td> <td style="text-align: center;"><u>690(1)</u></td> </tr> <tr> <td colspan="4">Current Assets</td> </tr> <tr> <td>Stock</td> <td></td> <td style="text-align: center;">128(1)</td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: center;">40(1)</td> <td></td> <td></td> </tr> <tr> <td>Provision for doubtful debts</td> <td style="text-align: center;"><u>2(1)</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">38</td> <td></td> </tr> <tr> <td>Cash in hand</td> <td></td> <td style="text-align: center;"><u>4(1)</u></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">170</td> <td></td> </tr> <tr> <td colspan="4">Current Liabilities</td> </tr> <tr> <td>Creditors</td> <td style="text-align: center;">30(1)</td> <td></td> <td></td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: center;">10(1)</td> <td></td> <td></td> </tr> <tr> <td>Proposed dividend</td> <td style="text-align: center;">25(1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">65</td> <td></td> </tr> <tr> <td>Working capital</td> <td></td> <td></td> <td style="text-align: center;"><u>105</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">795</td> </tr> <tr> <td colspan="4">Long term Liabilities</td> </tr> <tr> <td>6% Debentures</td> <td></td> <td></td> <td style="text-align: center;">50(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;"><u>745</u></td> </tr> <tr> <td colspan="4">Capital and Reserves</td> </tr> <tr> <td>Ordinary share capital</td> <td></td> <td style="text-align: center;">500(1)</td> <td></td> </tr> <tr> <td>General reserve</td> <td></td> <td style="text-align: center;">30 (1)</td> <td></td> </tr> <tr> <td>Profit and loss</td> <td></td> <td style="text-align: center;">215 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;"><u>745</u></td> </tr> </tbody> </table>		£000	£000	£000	Fixed Assets	Cost	Total Depreciation	Net Book Value	Land and Buildings	650	-	650	Motor vehicles	<u>65</u>	<u>25</u>	<u>40</u>		<u>315</u>	<u>25</u>	<u>690(1)</u>	Current Assets				Stock		128(1)		Debtors	40(1)			Provision for doubtful debts	<u>2(1)</u>					38		Cash in hand		<u>4(1)</u>				170		Current Liabilities				Creditors	30(1)			Bank overdraft	10(1)			Proposed dividend	25(1)					65		Working capital			<u>105</u>				795	Long term Liabilities				6% Debentures			50(1)				<u>745</u>	Capital and Reserves				Ordinary share capital		500(1)		General reserve		30 (1)		Profit and loss		215 (1)					<u>745</u>	(12)
	£000	£000	£000																																																																																																											
Fixed Assets	Cost	Total Depreciation	Net Book Value																																																																																																											
Land and Buildings	650	-	650																																																																																																											
Motor vehicles	<u>65</u>	<u>25</u>	<u>40</u>																																																																																																											
	<u>315</u>	<u>25</u>	<u>690(1)</u>																																																																																																											
Current Assets																																																																																																														
Stock		128(1)																																																																																																												
Debtors	40(1)																																																																																																													
Provision for doubtful debts	<u>2(1)</u>																																																																																																													
		38																																																																																																												
Cash in hand		<u>4(1)</u>																																																																																																												
		170																																																																																																												
Current Liabilities																																																																																																														
Creditors	30(1)																																																																																																													
Bank overdraft	10(1)																																																																																																													
Proposed dividend	25(1)																																																																																																													
		65																																																																																																												
Working capital			<u>105</u>																																																																																																											
			795																																																																																																											
Long term Liabilities																																																																																																														
6% Debentures			50(1)																																																																																																											
			<u>745</u>																																																																																																											
Capital and Reserves																																																																																																														
Ordinary share capital		500(1)																																																																																																												
General reserve		30 (1)																																																																																																												
Profit and loss		215 (1)																																																																																																												
			<u>745</u>																																																																																																											

Question Number	Answer	Mark								
12(c)	<p>Current ratio</p> <table border="1" style="margin-left: 40px;"> <tr> <td>Formula</td> <td>Calculation</td> </tr> <tr> <td>Current assets/Current liabilities (1)</td> <td>$170/65 = 2.62:1$ (1 of)</td> </tr> </table> <p>Quick ratio (acid test)</p> <table border="1" style="margin-left: 40px;"> <tr> <td>Formula</td> <td>Calculation</td> </tr> <tr> <td>Current assets – stock/Current liabilities (1)</td> <td>$(170 - 128)/65 = 0.65:1$ (1 of)</td> </tr> </table>	Formula	Calculation	Current assets/Current liabilities (1)	$170/65 = 2.62:1$ (1 of)	Formula	Calculation	Current assets – stock/Current liabilities (1)	$(170 - 128)/65 = 0.65:1$ (1 of)	(4)
Formula	Calculation									
Current assets/Current liabilities (1)	$170/65 = 2.62:1$ (1 of)									
Formula	Calculation									
Current assets – stock/Current liabilities (1)	$(170 - 128)/65 = 0.65:1$ (1 of)									

Question Number	Answer	Mark
12(d)	<p>Award up to (2) marks for an evaluation of each ratio and a further (1) mark for a suggested improvement. (5)</p> <p>Sample answer</p> <p>The current ratio is acceptable (1) and indicates that the business is able to meet its short term debts from its current assets(1).</p> <p>The quick ratio is less than an acceptable standard of 1:1 (1) which indicates that the business may have difficulty paying its short term debts (1) unless it is able to reduce its large amount of stock (1).</p>	(5)

Question Number	Answer	Mark																					
13(a)	<p>The Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Drawings</td> <td style="text-align: right;">650 (1)</td> <td></td> </tr> <tr> <td style="text-align: right;">Wages and Salaries</td> <td></td> <td style="text-align: right;">650 (1)</td> </tr> <tr> <td>Heat and Light</td> <td style="text-align: right;">175 (1)</td> <td></td> </tr> <tr> <td style="text-align: right;">Accruals</td> <td></td> <td style="text-align: right;">175 (1)</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">720 (1)</td> <td></td> </tr> <tr> <td style="text-align: right;">Bank</td> <td></td> <td style="text-align: right;">720 (1)</td> </tr> </tbody> </table>	Account	Debit	Credit	Drawings	650 (1)		Wages and Salaries		650 (1)	Heat and Light	175 (1)		Accruals		175 (1)	Creditors	720 (1)		Bank		720 (1)	(6)
Account	Debit	Credit																					
Drawings	650 (1)																						
Wages and Salaries		650 (1)																					
Heat and Light	175 (1)																						
Accruals		175 (1)																					
Creditors	720 (1)																						
Bank		720 (1)																					

Question Number	Answer	Mark																											
13(b)	<p>Barack Profit and Loss Account For year ended 30 November 2012</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 30%; text-align: center;">£</th> <th style="width: 30%; text-align: center;">£</th> </tr> </thead> <tbody> <tr> <td>Gross Profit</td> <td></td> <td style="text-align: right;">22907</td> </tr> <tr> <td>Overheads</td> <td></td> <td></td> </tr> <tr> <td>Heat and Light</td> <td style="text-align: right;">1500 (1 cf)</td> <td></td> </tr> <tr> <td>Motor Vehicle Repairs</td> <td style="text-align: right;">4 322}</td> <td></td> </tr> <tr> <td>Rent and Rates</td> <td style="text-align: right;">7860} (1 cf for both)</td> <td></td> </tr> <tr> <td>Wages and Salaries</td> <td style="text-align: right;">19 000 (1 cf)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">32 682</td> </tr> <tr> <td>Net Loss</td> <td></td> <td style="text-align: right;">9 775 (1 of)</td> </tr> </tbody> </table>		£	£	Gross Profit		22907	Overheads			Heat and Light	1500 (1 cf)		Motor Vehicle Repairs	4 322}		Rent and Rates	7860} (1 cf for both)		Wages and Salaries	19 000 (1 cf)				32 682	Net Loss		9 775 (1 of)	(4)
	£	£																											
Gross Profit		22907																											
Overheads																													
Heat and Light	1500 (1 cf)																												
Motor Vehicle Repairs	4 322}																												
Rent and Rates	7860} (1 cf for both)																												
Wages and Salaries	19 000 (1 cf)																												
		32 682																											
Net Loss		9 775 (1 of)																											

Question Number	Answer	Mark
13(c)	<p>Identification of the causes (1) Short term remedies (2) Long term remedies (2)</p> <p>Sample Answer</p> <p>The reduction in the capital of the business may be due to one of two factors, either the fact that the business is currently making a loss (1) or that the owner's drawings are too high in relation to profits earned (1). In the short term the owner needs to consider either increasing his prices (1) or reducing his overheads (1) In the long term the business owner may need to consider either investing more capital, or look for further external sources of finance such as may be gained through taking on a partner (1) or taking out a bank loan (1)</p> <p style="text-align: right;">(Max 5)</p>	(5)

Question Number	Answer	Mark																																																
14 (a)	<p style="text-align: center;">Precious and Little Appropriation Account Year ended 30 September 2012</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> <th style="text-align: center;">£</th> </tr> </thead> <tbody> <tr> <td>Net Profit</td> <td></td> <td></td> <td style="text-align: right;">57250 (1)</td> </tr> <tr> <td>Appropriations</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest on capitals: Precious</td> <td style="text-align: right;">2 500 (1)</td> <td></td> <td></td> </tr> <tr> <td>Little</td> <td style="text-align: right;">1 750 (1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">4 250</td> <td></td> </tr> <tr> <td>Salary Little</td> <td></td> <td style="text-align: right;">10 000 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>14 250</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">43 000</td> </tr> <tr> <td>Share of Profits: Precious</td> <td></td> <td style="text-align: right;">21 500 (1)</td> <td></td> </tr> <tr> <td>Little</td> <td></td> <td style="text-align: right;">21 500 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>43 000</u></td> </tr> </tbody> </table>		£	£	£	Net Profit			57250 (1)	Appropriations				Interest on capitals: Precious	2 500 (1)			Little	1 750 (1)					4 250		Salary Little		10 000 (1)					<u>14 250</u>				43 000	Share of Profits: Precious		21 500 (1)		Little		21 500 (1)					<u>43 000</u>	(6)
	£	£	£																																															
Net Profit			57250 (1)																																															
Appropriations																																																		
Interest on capitals: Precious	2 500 (1)																																																	
Little	1 750 (1)																																																	
		4 250																																																
Salary Little		10 000 (1)																																																
			<u>14 250</u>																																															
			43 000																																															
Share of Profits: Precious		21 500 (1)																																																
Little		21 500 (1)																																																
			<u>43 000</u>																																															

Question Number	Answer	Mark																																				
14 (b)	Current account - Little	(5)																																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 20%;">Narration</th> <th style="width: 15%;">£</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Narration</th> <th style="width: 15%;">£</th> </tr> </thead> <tbody> <tr> <td>Oct 1</td> <td>Balance b/f</td> <td style="text-align: right;">8 700</td> <td>Sep 30</td> <td>Interest on capital</td> <td style="text-align: right;">1 750 (1 of)</td> </tr> <tr> <td>Sep 30</td> <td>Drawings</td> <td style="text-align: right;">21 000 (1 cf)</td> <td>Sep 30</td> <td>Salary</td> <td style="text-align: right;">10 000 (1 cf)</td> </tr> <tr> <td>Sep 30</td> <td>Balance c/d</td> <td style="text-align: right;">3 550</td> <td>Sep 30</td> <td>Share of profits</td> <td style="text-align: right;">21 500 (1 of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>33 250</u></td> <td></td> <td></td> <td style="text-align: right;"><u>33 250</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Oct 1</td> <td>Balance b/d</td> <td style="text-align: right;">3 550 (1 of)</td> </tr> </tbody> </table>		Date	Narration	£	Date	Narration	£	Oct 1	Balance b/f	8 700	Sep 30	Interest on capital	1 750 (1 of)	Sep 30	Drawings	21 000 (1 cf)	Sep 30	Salary	10 000 (1 cf)	Sep 30	Balance c/d	3 550	Sep 30	Share of profits	21 500 (1 of)			<u>33 250</u>			<u>33 250</u>				Oct 1	Balance b/d	3 550 (1 of)
Date	Narration		£	Date	Narration	£																																
Oct 1	Balance b/f		8 700	Sep 30	Interest on capital	1 750 (1 of)																																
Sep 30	Drawings		21 000 (1 cf)	Sep 30	Salary	10 000 (1 cf)																																
Sep 30	Balance c/d		3 550	Sep 30	Share of profits	21 500 (1 of)																																
			<u>33 250</u>			<u>33 250</u>																																
			Oct 1	Balance b/d	3 550 (1 of)																																	

Question Number	Answer	Mark
14 (c)	<p>1 Accruals/Matching</p> <p>This concept states that the revenue of an accounting period must be matched against the costs of the same period (1) + a further (2) for an appropriate illustration such as payment of rent in advance/arrears. (3)</p> <p>2 Business entity</p> <p>This concept states that the business is treated as being completely separate from the owner of the business (1) + (2) for an appropriate illustration such as the owner treating personal expenditure as business expenditure, which is not allowed. (3)</p> <p>3 Going concern</p> <p>This concept states that it is to be assumed that the business will continue to operate for an indefinite period of time and that there is no intention to close down the business or reduce the size of the business by any significant amount (1) + (2) for an appropriate illustration such as valuing the fixed assets as if they are being sold. (3)</p>	(9)

Question Number	Answer	Mark																								
15 (a)	Bad Debts Account	(4)																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Narration</th> <th>£</th> <th>Date</th> <th>Narration</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Dec 31</td> <td>Sundry debtors</td> <td>650 (1 cf)</td> <td>Dec 31</td> <td>Profit and Loss (1)</td> <td>1 100 (1 of)</td> </tr> <tr> <td>Dec 31</td> <td>Thatcher</td> <td>450 (1 of)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>1 100</u></td> <td></td> <td></td> <td><u>1 100</u></td> </tr> </tbody> </table>		Date	Narration	£	Date	Narration	£	Dec 31	Sundry debtors	650 (1 cf)	Dec 31	Profit and Loss (1)	1 100 (1 of)	Dec 31	Thatcher	450 (1 of)						<u>1 100</u>			<u>1 100</u>
Date	Narration		£	Date	Narration	£																				
Dec 31	Sundry debtors		650 (1 cf)	Dec 31	Profit and Loss (1)	1 100 (1 of)																				
Dec 31	Thatcher		450 (1 of)																							
		<u>1 100</u>			<u>1 100</u>																					

Question Number	Answer	Mark																								
15 (b)	Thatcher Account	(3)																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Narration</th> <th>£</th> <th>Date</th> <th>Narration</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Jan 1</td> <td>Balance b/d</td> <td>800 (1)</td> <td>Dec 31</td> <td>Bank</td> <td>350 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Dec 31</td> <td>Bad Debts</td> <td>450 (1)</td> </tr> <tr> <td></td> <td></td> <td><u>800</u></td> <td></td> <td></td> <td><u>800</u></td> </tr> </tbody> </table>		Date	Narration	£	Date	Narration	£	Jan 1	Balance b/d	800 (1)	Dec 31	Bank	350 (1)				Dec 31	Bad Debts	450 (1)			<u>800</u>			<u>800</u>
Date	Narration		£	Date	Narration	£																				
Jan 1	Balance b/d		800 (1)	Dec 31	Bank	350 (1)																				
				Dec 31	Bad Debts	450 (1)																				
		<u>800</u>			<u>800</u>																					

Question Number	Answer	Mark
15 (c)	Capital expenditure is money spent by a business on purchasing fixed assets or improving existing fixed assets (1). These costs will appear in the balance sheet (1) Revenue expenditure is money spent on running a business on a day-to-day basis (1). These costs will appear in the profit and loss account (1).	(4)

Question Number	Answer	Mark															
15 (d)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Transaction</th> <th>Capital expenditure</th> <th>Revenue expenditure</th> </tr> </thead> <tbody> <tr> <td>Purchase of new premises</td> <td>✓ (1)</td> <td></td> </tr> <tr> <td>Insurance of premises</td> <td></td> <td>✓(1)</td> </tr> <tr> <td>Installing and testing an air conditioning system</td> <td>✓(1)</td> <td></td> </tr> <tr> <td>Repairs to premises roof</td> <td></td> <td>✓(1)</td> </tr> </tbody> </table>	Transaction	Capital expenditure	Revenue expenditure	Purchase of new premises	✓ (1)		Insurance of premises		✓(1)	Installing and testing an air conditioning system	✓(1)		Repairs to premises roof		✓(1)	(4)
Transaction	Capital expenditure	Revenue expenditure															
Purchase of new premises	✓ (1)																
Insurance of premises		✓(1)															
Installing and testing an air conditioning system	✓(1)																
Repairs to premises roof		✓(1)															

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 UG034161 January 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

Ofqual
■■■■■■■■■■



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

