



Pearson

Mark Scheme (Results)

Pearson Edexcel International GCSE
Accounting 4AC1

PAPER 02: Financial Statements

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June 2023

Question Paper Log Number P72945A

Publications Code 4AC1_02_2306_MS

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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.

Question Number	Answer	Mark
1(a)	<p>Award marks as indicated.</p> <p>Sample answer</p> <p>Raw materials are purchased to be converted into finished goods (1) whereas work in progress is partly completed goods (1) and finished goods are those goods which are completed.(1)</p> <p>Accept any other appropriate responses</p>	(3)

Question Number	Answer	Mark																																																															
1(b)	<p>Award marks as indicated.</p> <p style="text-align: center;">Dingle</p> <p style="text-align: center;">Manufacturing account for the year ended 31 January 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">\$</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Raw materials</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory of raw materials</td> <td style="text-align: right;">21 200</td> <td></td> </tr> <tr> <td>Purchases of raw materials</td> <td style="text-align: right;">198 045</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">219 245</td> <td></td> </tr> <tr> <td>Closing inventory of raw materials</td> <td style="text-align: right;">(23 600)</td> <td></td> </tr> <tr> <td>Cost of raw materials consumed</td> <td></td> <td style="text-align: right;">195 645 (1)</td> </tr> <tr> <td>Direct wages</td> <td></td> <td style="text-align: right;">89 700</td> </tr> <tr> <td>Direct expenses/royalties</td> <td></td> <td style="text-align: right;">41 300</td> </tr> <tr> <td>Prime cost</td> <td></td> <td style="text-align: right;">326 645 (1)</td> </tr> <tr> <td>Overheads</td> <td></td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">36 800 (1)</td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">32 400 (1)</td> <td></td> </tr> <tr> <td>Power</td> <td style="text-align: right;">41 500 (1)</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">6 240 (1)</td> <td></td> </tr> <tr> <td>Supervisor salary</td> <td style="text-align: right;">23 170 (1)</td> <td></td> </tr> <tr> <td>Depreciation - machinery</td> <td style="text-align: right;">19 200 (1)</td> <td style="text-align: right;">159 310</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">485 955 (1of)</td> </tr> <tr> <td>Add: opening work in progress</td> <td style="text-align: right;">19 100</td> <td></td> </tr> <tr> <td>Less: closing work in progress</td> <td style="text-align: right;">(18 400)</td> <td style="text-align: right;">700 (1)</td> </tr> <tr> <td>Production cost</td> <td></td> <td style="text-align: right;">486 655 (1of)</td> </tr> </tbody> </table>		\$	\$	Raw materials			Opening inventory of raw materials	21 200		Purchases of raw materials	198 045			219 245		Closing inventory of raw materials	(23 600)		Cost of raw materials consumed		195 645 (1)	Direct wages		89 700	Direct expenses/royalties		41 300	Prime cost		326 645 (1)	Overheads			Rent	36 800 (1)		General expenses	32 400 (1)		Power	41 500 (1)		Insurance	6 240 (1)		Supervisor salary	23 170 (1)		Depreciation - machinery	19 200 (1)	159 310			485 955 (1of)	Add: opening work in progress	19 100		Less: closing work in progress	(18 400)	700 (1)	Production cost		486 655 (1of)	(11)
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1(c)	<p>Award marks as indicated.</p> <p style="text-align: center;">Dingle</p> <p style="text-align: center;">Income statement for the year ended 31 January 2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">\$</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">729 595</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory finished goods</td> <td style="text-align: right;">23 000</td> <td></td> </tr> <tr> <td>Production cost</td> <td style="text-align: right;">486 655 (1)</td> <td></td> </tr> <tr> <td>Closing inventory finished goods</td> <td style="text-align: right;">(31 750)</td> <td style="text-align: right;">(477 905) (1of)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">251 690 (1of)</td> </tr> <tr> <td>Expenses</td> <td></td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">3 600 (1)</td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">9 200 (1)</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">1 560 (1)</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">16 590 (1)</td> <td></td> </tr> <tr> <td>Depreciation – office equipment</td> <td style="text-align: right;">6 750 (1)</td> <td style="text-align: right;">37 700</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">213 990 (1of)</td> </tr> </tbody> </table>		\$	\$	Revenue		729 595	Cost of sales			Opening inventory finished goods	23 000		Production cost	486 655 (1)		Closing inventory finished goods	(31 750)	(477 905) (1of)	Gross profit		251 690 (1of)	Expenses			General expenses	3 600 (1)		Rent	9 200 (1)		Insurance	1 560 (1)		Wages	16 590 (1)		Depreciation – office equipment	6 750 (1)	37 700	Profit for the year		213 990 (1of)	(9)
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1(d)	<p>Award 1 mark for identification and 1 mark for development</p> <p>Sample answer</p> <p>The manufacturer may have been unable to produce enough goods to meet demand (1) which could have been due to production problems (1)</p> <p>Accept any other appropriate responses</p>	(2)

TOTAL FOR QUESTION 1 = 25 MARKS

Question Number	Answer	Mark
2(a)	<p>Award 1 mark for identification and up to 2 marks for development.</p> <p>Sample answer</p> <p>A Partnership agreement provides written evidence (1) to avoid conflict (1) and includes terms for the management of the partnership/details of share of profits/interest on drawings etc. (1)</p> <p>Accept any other appropriate responses</p>	(3)

Question Number	Answer	Mark
2(b)	<p>Award 1 mark for identification and 1 mark for development.</p> <p>Sample answer</p> <p>A partner may decide to provide a loan to the partnership as a loan is repayable (1) will provide a guaranteed annual income. (1)</p> <p>Accept any other appropriate responses</p>	(2)

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2(c)	<p>Award marks as indicated.</p> <p style="text-align: center;">Joan and Lewis Appropriation account for the year ended 31 December 2022</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">\$</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Draft profit for the year</td> <td></td> <td style="text-align: right;">56 800</td> </tr> <tr> <td>Salary adjustment</td> <td></td> <td style="text-align: right;">17 000 (1)</td> </tr> <tr> <td>Drawings – Joan</td> <td></td> <td style="text-align: right;">1 000 (1)</td> </tr> <tr> <td>Loan interest</td> <td></td> <td style="text-align: right;">(600) (1)</td> </tr> <tr> <td>Adjusted profit for the year</td> <td></td> <td style="text-align: right;">74 200 (1)</td> </tr> <tr> <td>Interest on drawings</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Joan</td> <td style="text-align: right;">300 (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Lewis</td> <td style="text-align: right;">350 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">650</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">74 850</td> </tr> <tr> <td>Interest on capital</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Joan</td> <td style="text-align: right;">6 800 (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Lewis</td> <td style="text-align: right;">6 000 (1)</td> <td style="text-align: right;">(12 800)</td> </tr> <tr> <td>Salary - Lewis</td> <td></td> <td style="text-align: right;">(17 000) (1)</td> </tr> <tr> <td>Profit available for distribution</td> <td></td> <td style="text-align: right;">45 050 (1of)</td> </tr> <tr> <td>Share of profit</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Joan</td> <td></td> <td style="text-align: right;">22 525 (1of)</td> </tr> <tr> <td style="padding-left: 20px;">Lewis</td> <td></td> <td style="text-align: right;">22 525 (1of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">45 050</td> </tr> </tbody> </table>		\$	\$	Draft profit for the year		56 800	Salary adjustment		17 000 (1)	Drawings – Joan		1 000 (1)	Loan interest		(600) (1)	Adjusted profit for the year		74 200 (1)	Interest on drawings			Joan	300 (1)		Lewis	350 (1)				650			74 850	Interest on capital			Joan	6 800 (1)		Lewis	6 000 (1)	(12 800)	Salary - Lewis		(17 000) (1)	Profit available for distribution		45 050 (1of)	Share of profit			Joan		22 525 (1of)	Lewis		22 525 (1of)			45 050	(12)
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TOTAL FOR QUESTION 2 = 25 MARKS

TOTAL MARKS FOR PAPER = 50 MARKS
