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Mark Scheme (Provisional)

Summer 2021

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 01 Introduction to Bookkeeping and Accounting

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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.

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SECTION A

Question Number	Answer	Mark
	Award 1 mark as indicated for each question.	
1	**The only correct answer is A Correct an overcharge on an invoice** B is not correct because an undercharge would not require a credit note C is not correct because a sales invoice would be issued D is not correct because a sales invoice would be issued	**(1)**
2	**The only correct answer is B Purchases returns** A is not correct because purchases are recorded in the purchases day book C is not correct because sales are recorded in the sales day book D is not correct because sales returns are recorded in the sales returns day book	**(1)**
3	**The only correct answer is B Credit discounts received** A is not correct because this refers to discounts allowed C is not correct because this refers to discounts allowed D is not correct because this should be credited to discounts received	**(1)**
4	**The only correct answer is B Duality** A is not correct because confidentiality is a principle of professional ethics C is not correct because integrity is a principle of professional ethics D is not correct because objectivity is a principle of professional ethics	**(1)**
5	**The only correct answer is C Materiality** A is not correct because accruals is not relevant in this case B is not correct because business entity is not relevant in this case D is not correct because prudence is not relevant in this case	**(1)**

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6	**The only correct answer is D Returns outwards** A is not correct because carriage inwards always as a debit balance B is not correct because carriage outwards always as a debit balance C is not correct because returns outwards always as a debit balance	**(1)**
7	**The only correct answer is D Interest charged by a supplier on late payment** A is not correct because amounts paid to credit suppliers would appear on the debit side B is not correct because contra would appear on the debit side C is not correct because discount received from credit suppliers would appear on the debit side	**(1)**
8	**The only correct answer is A Income statement** B is not correct because the balance would not appear in the statement of financial position C is not correct because the balance would not appear in the trade payables ledger D is not correct because the balance would not appear in the trade receivables ledger	**(1)**
9	**The only correct answer is B $480 in the sales day book** A is not correct because $480 represents a sale C is not correct because $456 incorrectly takes off the cash discount D is not correct because $456 incorrectly takes off the cash discount	**(1)**
10	**The only correct answer is C Debit Drawings: Credit Bank** A is not correct because the entry must be credited to bank B is not correct because the entry must be credited to bank D is not correct because the entry does not affect the cash account	**(1)**

TOTAL FOR QUESTIONS 1-10 = 10 MARKS

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<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>11</td><td>Award marks as indicated.

<table>
<tr><td colspan="4">Invoice
Leon
Spring Street
Newport
NP19 3HS</td></tr>
<tr><td colspan="2" rowspan="2">Phoenix
22 Kerry Drive
Bradford BD8 6GK</td><td colspan="2">No. 3240</td></tr>
<tr><td colspan="2">Date 29 March 2021</td></tr>
<tr><td>Quantity</td><td>Description</td><td>Unit cost
$</td><td>Total cost
$</td></tr>
<tr><td>6</td><td>Mobile phones</td><td>85.50</td><td>(i) 513.00 (1)</td></tr>
<tr><td>36</td><td>USB cables</td><td>2.20</td><td>(ii) 79.20 (1)</td></tr>
<tr><td colspan="3">Subtotal</td><td>(iii) 592.20 (1of)</td></tr>
<tr><td colspan="3">Trade discount 25%</td><td>(iv) 148.05 (1of)</td></tr>
<tr><td colspan="3">Total</td><td>(v) 444.15 (1of)</td></tr>
</table>
</td><td>(5)</td></tr>
</table>

TOTAL FOR QUESTION 11 = 5 MARKS

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Question Number	Answer	Mark
12	**Award marks for figures as indicated.** **Award 1 mark for all correct dates and details**	**(5)**

Rent Account

Date	Details	$	Date	Details	$
Mar 31	Bank / Cash book	3 750.00 **(1)**	Apr 1	Balance b/d	500.00 **(1)**
			Mar 31	Income statement	3 000.00 **(1of)**
				Balance c/d	250.00
		3 750.00			3 750.00
Apr 1	Balance b/d	250.00 **(1of)**			

TOTAL FOR QUESTION 12 = 5 MARKS

Question Number	Answer	Mark
13	**Award marks for figures as indicated.** **Award 1 mark for all correct details**	**(5)**

Daya
Bank Reconciliation Statement at 30 April 2021

	$
Updated balance in bank per cash book	543 **(1)**
Unpresented cheques	640 **(1)**
Outstanding lodgements	(1 485) **(1)**
Balance per bank statement	(302) **(1of)**

TOTAL FOR QUESTION 13 = 5 MARKS

TOTAL MARKS FOR SECTION A = 25 MARKS

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SECTION B

Question Number	Answer	Mark
14(a)	**Award 1 mark for each correct figure on correct side as indicated.** **Award 1 mark for all correct dates and details.**	**(10)**

Cash book

Date 2021	**Details**	**Discount $**	**Cash $**	**Bank $**	**Date 2021**	**Details**	**Discount $**	**Cash $**	**Bank $**
Apr 1	Balance b/d		25*****		Apr 1	Balance b/d			110***** **(1) for both bals**
3	Joseph	162		1 458 **(1)**	12	BL Council			220 **(1)**
21	Sales		80 **(1)**		23	Bank		65 **(1)**	
23	Cash			65 **(1)**	27	Window cleaner		28 **(1)**	
30	Balance c/d			992	30	AWB	115		2 185 **(1)**
					30	Balance c/d		12	
		162	105	2 515			115	105	2 515
May 1	Balance b/d		12*****		May 1	Balance b/d			992***** **(1of) for both bals**

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Question Number	Answer	rk
14(b)	**Award up to 2 marks for each benefit and 1 mark for a conclusion.** **Sample answer** Acts as a deterrent to fraud **(1)** as it will be maintained by a different member of staff to the cash book clerk **(1).** Avoids overcrowding the main cash book **(1)** so reducing the number of entries made by the main cashier **(1).** Yes, maintaining a separate petty cash system will be beneficial to Raheem **(1).** **Accept any other appropriate responses.**	**(5)**

TOTAL FOR QUESTION 14 = 15 MARKS

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<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>15(a)</td><td>
Award 1 mark for each figure as indicated.
Award 1 mark for all correct dates and details.
Trade Receivables Ledger Control Account
<table>
<tr><th>Date 2021</th><th>Details</th><th>$</th><th>Date 2021</th><th>Details</th><th>$</th></tr>
<tr><td>1 Mar</td><td>Balance b/d</td><td>56 240</td><td>31 Mar</td><td>Contra/set-off</td><td>120 (1)</td></tr>
<tr><td>31</td><td>Sales day book</td><td>38 910 (1)</td><td></td><td>Cash book / Discounts allowed</td><td>720 (1)</td></tr>
<tr><td></td><td>Bank/cash book</td><td>410 (1)</td><td></td><td>Journal /Irrecoverable debts</td><td>450 (1)</td></tr>
<tr><td></td><td>Interest charged</td><td>80 (1)</td><td></td><td>Bank/cash book</td><td>44 600 (1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Sales returns day book</td><td>1 420 (1)</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Balance c/d</td><td>48 330</td></tr>
<tr><td></td><td></td><td>95 640</td><td></td><td></td><td>95 640</td></tr>
<tr><td>1 Apr</td><td>Balance b/d</td><td>48 330</td><td></td><td></td><td></td></tr>
</table>
</td><td>(9)</td></tr>
</table>

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Question Number	Answer	ark
15(b)	**Award 1 mark for each figure as indicated.** **Award 1 mark for all correct dates and details.**	**(6)**

Trade Payables Ledger Control Account

Date 2021	**Details**	**$**	**Date 2021**	**Details**	**$**
31 Mar	Cash book/ Discounts received	390 **(1)**	1 Mar	Balance b/d	42 580
	Bank/cash book	36 070 **(1)**	31	Purchases day book	32 550 **(1)**
	Purchases returns day book	1 050 **(1)**			
	Contra/set-off	120 **(1)**			
	Balance c/d	37 500			
		75 130			75 130
			1 Apr	Balance b/d	37 500

TOTAL FOR QUESTION 15 = 15 MARKS

Question Number	Answer	Mark
16(a)	**Award marks as indicated.** Principle **(1).**	**(1)**

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Question Number	Answer	ark
16(b)	**Award marks for correct detail and amount as indicated.**	**(9)**

Date 2021	Error	Details	Debit $	Credit $
31 March	**1**	Motor insurance	400 **(1)**	
		Motor vehicles		400 **(1)**
	2	Suspense	90 **(1)**	
		Trade receivables (ledger control account)		90 **(1)**
	3	General expenses	120 **(1)**	
		Bank		120 **(1)**
	4	Returns inwards	150 **(1)**	
		Returns outwards	150 **(1)**	
		Suspense		300 **(1)**

Question Number	Answer	Mark
16(c)	**Award up to 2 marks for an advantage, up to 2 marks for a disadvantage and 1 mark for a conclusion.** **Sample answer** Ensures the arithmetical accuracy of the entries in the books **(1)** as both sides must be equal **(1).** However, it does not identify all types of error **(1),** for example an error of principle. **(1)** Jacques should continue to produce a trial balance as it is an important part of the verification process. **(1)** **Accept any other appropriate responses.**	**(5)**

TOTAL FOR QUESTION 16 = 15 MARKS

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Question Number	Answer	rk
17(a)	**Award 1 mark for identification plus 1 mark for development.** To take account of the likelihood that some debtors will not be able to pay the amount due **(1),** which ensures compliance with the prudence concept **(1).** **Accept any other appropriate responses.**	**(2)**

Question Number	Answer	Mark
17(b)(i)	**Award mark as indicated.** Other payables Other receivables ✓ **(1)** Provision	**(1)**

Question Number	Answer	Mark
17(b)(ii)	**Award marks as indicated.** Other payables ✓ **(1)** Other receivables Provision	**(1)**

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Question Number	Answer	rk
17(c)	**Award marks as indicated.**	**(3)**

	Current assets	**Non-current assets**	**Current liabilities**	**Non-current liabilities**
Other payables			✓ **(1)**	
Other receivables	✓ **(1)**			
Provision for irrecoverable debts	✓ **(1)**			

Question Number	Answer	Mark
17(d)	**Award marks as indicated.**	**(8)**

Transaction	**Source document**	**Book of original entry**
Paid bank charges	Bank statement **(1)**	Cash book **(1)**
Returned damaged goods to a credit supplier	(Purchase) credit note **(1)**	Purchases returns day book **(1)**
Purchased a new motor vehicle on credit	Invoice **(1)**	(General) journal **(1)**
Payment to a supplier by credit transfer	Remittance advice **(1)**	Cash book **(1)**

TOTAL FOR QUESTION 17 = 15 MARKS

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Question Number	Answer	rk
18(a)	**Award marks as indicated.** Capital expenditure is the purchase or improvement of non-current assets **(1)** whereas revenue expenditure is the day-to-day running costs of the business **(1)** The benefit from capital expenditure is expected to last for more than one year **(1)** whereas the benefit from revenue expenditure is expected to last for less than one year **(1).** **Accept any other appropriate responses.**	**(4)**

Question Number	Answer	Mark
18(b)	**Award marks as indicated. (Maximum 2 marks).** Wear and tear Obsolescence Economic factors Time factor Usage Technological change	**(2)**

Question Number	Answer	Mark
18(c)	**Award 1 mark as indicated** Accruals **(1)** or Prudence **(1)** or Consistency **(1)**	**(1)**

Question Number	Answer	Mark
18(d) (i)	**Award marks as indicated** $30 720 **(2) or** $38 400 **(1)**	**(2)**

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Question Number	Answer	rk
18(d)(ii)	**Award 1 mark for each figure as indicated.** **Award 1 mark for all correct dates and details.**	**(6)**

Motor Vehicle Disposal Account

Date	**Details**	**$**	**Date**	**Details**	**$**
Dec 1 2020	Motor vehicle	48 000 **(1)**	Dec 1 2020	Provision for depreciation	17 280 **(1of)**
				Cash book/ bank	14 000 **(1)**
				Bilal	14 000 **(1)**
			Jan 31 2021	Income statement	2 720 **(1of)**
		48 000			48 000

TOTAL FOR QUESTION 18= 15 MARKS

TOTAL MARKS FOR SECTION B = 75 MARKS

TOTAL MARKS FOR PAPER = 100 MARKS

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