www.dynamicpapers.com



Mark Scheme (Provisional)

Summer 2021

Pearson Edexcel GCSE International GCSE
In Accounting (4AC1)
Paper 02 Financial Statements

www.dynamicpapers.com

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. 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. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. 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

Summer 2021
Question Paper Log Number P66469A
Publications Code 4AC1_02_2106_MS
All the material in this publication is copyright
© Pearson Education Ltd 2021

www.dynamicpapers.com

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.

www.dynamicpapers.com

Question Number	Answer	rk
1(a)	**Award marks as indicated.**	

Leo

Manufacturing account for the year ended 31 March 2021

	$	**$**	
Opening inventory - raw materials		56 000	
Purchases	167 500		
Returns outwards	(17 500)		
		150 000	**(1)**
Carriage inwards		1 300	**(1)**
Closing inventory - raw materials		(44 000)	**(1fb)**
Cost of raw materials consumed		163 300	**(1of)+W**
Direct wages		82 400	**(1)**
Royalties		15 000	**(1)**
Prime cost		260 700	**(1of)+W**
Depreciation - plant and machinery	32 000		**(1)**
Depreciation - premises	37 500		**(1)**
Indirect expenses	79 500		**(1)**
Insurance	8 500		**(1)**
Electricity	13 500		**(1)**
Indirect wages	85 000		**(1)**
		256 000	
		516 700	
Opening inventory - work in progress	64 000		
Closing inventory - work in progress	(68 400)		
		(4 400)	**(1fb)**
Production cost		512 300	**(1of)+W**

(15)

Additional Guidance

fb = For both opening and closing inventories.

of = own figure. Accuracy mark can be awarded where the candidate's answer does not match the mark scheme, though is accurate based on the correct method.

(1of) +W mark is only awarded if both figure and words are present.

www.dynamicpapers.com

Question Number	Answer	k
1(b)	**Award marks as indicated.**	**(5)**

Leo **Income statement for the year ended 31 March 2021**			
	$	**$**	
Revenue	630 000		
Returns inwards	(12 000)		
		618 000	**(1)**
Cost of sales			
Opening inventory - finished goods	108 000		
Production cost	512 300		**(1of)**
Closing inventory - finished goods	(112 000)		**(1fb)**
		(508 300)	**(1of) + W**
Gross profit		109 700	**(1of) +W**

Additional Guidance

Award revenue $ 618 000 1 mark.

fb = For both opening and closing inventories.

of = own figure. Accuracy mark can be awarded where the candidate's answer does not match the mark scheme, though is accurate based on the correct method.

(1of) +W mark is only awarded if both figure and words are present.

www.dynamicpapers.com

Question Number	Answer	Mark
1(c)	**Award 1 mark for stating whether Leo is correct or incorrect with justification and up to 4 marks for supporting evidence.** **Sample answer** Leo is incorrect as both ratios have decreased indicating a deterioration in profitability **(1)** This is supported by: • the decrease in gross profit percentage which may be due to a lower selling price **(1)** or an increase in cost price **(1)** • the decrease in return on capital employed percentage which may be due to Leo introducing additional capital **(1)** or an increase in expenses **(1).**	**(5)**

Additional Guidance

The sample answer is not definitive. Award marks for appropriate comments relating to a decrease in profitability but NOT referenced to liquidity.

(Total for Question 1 = 25 marks)

www.dynamicpapers.com

Question Number	Answer	Mark
2(a)	**Award marks as indicated.**	

Amira
Statement of affairs at 1 April 2020

Assets	**$**	**$**	**$**
Non-current assets	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	31 670	-	31 670
Motor vehicle	40 000	19 520	20 480
	71 670	19 520	52 150 **(1)**
Current assets			
Inventory		21 500	
Trade receivables		34 500	
Other receivables		1 500	
Cash at bank		1 350	
			58 850
Total assets			111 000 **(1)**
Equity and liabilities			
Total equity			79 000 **(1of)**
Current liabilities			
Trade payables			32 000 **(1)**
Total equity and liabilities			111 000

(4)

Additional Guidance

of = own figure. Accuracy mark can be awarded where the candidate's answer does not match the mark scheme, though is accurate based on the correct method.

www.dynamicpapers.com

Question Number	Answer	Mark

2(b) **Award marks as indicated.**

Amira

Statement of Affairs at 31 March 2021

Assets	**$**	**$**	**$**
Non-current assets	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	31 670	-	31 670
Motor vehicle	50 000	10 000 **(1)**	40 000 **(1of)**
	81 670	10 000	71 670 **(1of)**
Current assets			
Inventory		24 000	
Trade receivables	35 000 **(1)**		
Provision for irrecoverable debts	(1 750) **(1of)**	33 250	
			57 250 **(1of)**
Total assets			128 920
Equity and liabilities			
Total equity			56 270 **(1of)**
Non-current liabilities			
Loan			30 000 **(1)**
Current liabilities			
Loan			10 000 **(1)**
Trade payables			31 000
Bank overdraft			1 650 **(1)**
			42 650
Total liabilities			72 650
Total equity and liabilities			128 920 **(1of)**

(11)

Additional Guidance of = own figure. Accuracy mark can be awarded where the candidate's answer does not match the mark scheme, though is accurate based on the correct method.

www.dynamicpapers.com

<table>
<tr><th>Question Number</th><th>Answer</th><th>Ma</th></tr>
<tr><td>2(c)</td><td>Award 1 mark for each correct figure plus 1 mark for all correct dates (any format) and details.

Equity Account
<table>
<tr><th>Date</th><th>Details</th><th>$</th><th>Date</th><th>Details</th><th>$</th></tr>
<tr><td>31 March</td><td>Drawings</td><td>30 000 (1)</td><td>1 April</td><td>Balance b/d</td><td>79 000 (1of)</td></tr>
<tr><td></td><td>Balance c/d</td><td>56 270</td><td>31 March</td><td>Income statement/ profit for the year</td><td>7 270 (1of)</td></tr>
<tr><td></td><td></td><td>86 270</td><td></td><td></td><td>86 270</td></tr>
<tr><td></td><td></td><td></td><td>1 April</td><td>Balance b/d</td><td>56 270 (1of)</td></tr>
</table></td><td>(5)</td></tr>
<tr><td colspan="3">Additional Guidance

of = own figure. Accuracy mark can be awarded where the candidate’s answer does not match the mark scheme, though is accurate based on the correct method.

Accept split figures for drawings.</td></tr>
</table>

www.dynamicpapers.com

Question Number	Answer	rk
2(d)(i)	**Award 1 mark for identifying the concept plus 1 mark for development.** **Sample answers** **Prudence (1)** Introducing a provision for irrecoverable debts, ensures that her profit for the year/trade receivable are not overstated **(1)**. **OR** **Accruals/matching (1)** Introducing a provision for irrecoverable debts, ensures that the amount of sales which are unlikely to be paid are regarded as an expense in a year of sale **(1)**.	**(2)**

www.dynamicpapers.com

Question Number	Answer	rk
2(d)(ii)	**Award 1 mark for identifying the concept plus up to 2 marks for development.** **Sample answers** **Accruals/matching (1)** This method is used for motor vehicle that have lower maintenance cost / greater benefits achieved in the earlier years **(1)** which ensures that the revenue of the accounting period is matched against the cost of the same period **(1)**. **OR** **Consistency (1)** Once a method has been selected it must be used consistently from one accounting period to the next **(1)** to ensure comparability of financial results **(1)**.	**(3)**

(Total for Question 2 = 25 marks)
TOTAL FOR PAPER = 50 MARKS

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom