www.dynamicpapers.com



Mark Scheme Results

November 2021

Pearson Edexcel 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

November 2021
Question Paper Log Number P66470
Publications Code 4AC1_02_2111_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

Section A

Question number	Answer	Mark
1(a)	**Award marks as indicated.**	**(11)**

Thomas
Income statement for the year ended 31 March 2021

	$	$	
Revenue		425 000	**(1)**
Cost of sales			
Opening inventory - finished goods	27 500		
Production cost	300 000		**(1)**
Closing inventory - finished goods	(30 000)		**(1)**
		(297 500)	**(1)**
Gross profit		127 500	**(1of)**
Expenses			
Administrative expenses	40 000		**(1)**
Carriage outwards	2 745		**(1)**
Depreciation charge-office equipment	3 200		**(1)**
Provision for irrecoverable debts	500		**(1)**
Office rent	27 000		**(1)**
		(73 445)	
Profit for the year		54 055	**(1of)**

www.dynamicpapers.com

Question number	Answer	Mark
1(b)	**Award marks as indicated.**	

Thomas
Statement of financial Position at 31 March 2021

	$	$	$
Non - current assets	Cost	Accumulated depreciation	Carrying value
Plant and machinery	200 000	97 600	102 400 **(1)**
Office equipment	25 000	12 200	12 800 **(1)**
	225 000	109 800	115 200 **(1of)**
Current assets			
Inventories Raw materials Work in progress Finished goods	 25 000 11 000 30 000	 66 000 **(1)**	
Trade receivables	60 000 **(1)**		
Provision for irrecoverable debts	(3 000)		
		57 000 **(1)**	
Other receivables		5 000 **(1)**	
Cash in hand		800 **(1)**	
			128 800
Total Assets			244 000 **(1of)**

(9)

www.dynamicpapers.com

Question number	Answer	Mark
1(c)	**Award up to 2 marks for the evaluation of each ratio.** **Award 1 mark for overall conclusion.** **Sample answer** The current ratio has **improved** above the benchmark of 2:1 **(1)** indicating that he can **meet his short term debts** as they fall due **(1)** The liquid (acid test) ratio has also **improved** above the benchmark of 1:1 **(1)** indicating that he can meet his short term debts as they fall due **without the need to sell his inventory (1)** Yes, Thomas's statement is correct **(1)** **Accept any other appropriate responses**	**(5)**

(Total for Question 1 = 25 marks)

www.dynamicpapers.com

Question number	Answer	Mark
2(a)	**Award mark as indicated.** **Advantages Max (1)** Additional capital **(1)** More expertise **(1)** Shared work load **(1)** **Disadvantages Max (1)** Shared profits **(1)** Disputes **(1)** Lack of control **(1)** **Accept any other appropriate responses**	**(2)**

Question number	Answer	Mark
2(b)	**Award marks as indicated.** **Able and Beena** **Appropriation account for the year ended 30 April 2021**	**(8)**

	$	$
Profit for the year		26 550 **(1)**
Add interest on drawings		
Able	1 600 **(1)**	
Beena	1 050 **(1)**	2 650
		29 200
Less interest on capital		
Able	(6 000) **(1)**	
Beena	(2 000) **(1)**	(8000)
Less Salary- Beena		(7 200) **(1)**
Profit available for distribution		14 000
Profit share		
Able		10 500 (**1of)**
Beena		3 500 **(1of)**

www.dynamicpapers.com

Question number	Answer	Mark
2(c)	**Award marks for each correct date detail and amount in combination**	**(6)**

Current Account - Beena

Date	Details	Amount $	Date	Details	Amount $
1 May 2020	Balance b/d	2 750	30 April 2021	Appropriation/ interest on capital	2 000 **(1of)**
30 April 2021	Drawings	10 500 **(1)**		Appropriation/ salary	7 200 **(1)**
	Appropriation/ interest on drawings	1 050 **(1of)**		Appropriation/ Profit share	3 500 **(1of)**
				Balance c/d	1 600
		14 300			14 300
1 May 2021	Balance b/d	1 600 **(1of)**			

Question number	Answer	Mark
2(d)	**Award mark as indicated** Partner may have taken more money than allowed. **Accept any other appropriate responses**	**(1)**

Question number	Answer	Mark
2(e)	**Award marks as indicated**	**(3)**

Transaction	Increase	Decrease	No effect
A partner withdraws goods for their own use.	✓ **(1)**		
A partner purchases stationery for the business from their own monies.		✓ **(1)**	
A partner introduces capital into the business			✓ **(1)**

www.dynamicpapers.com

Question number	Answer	Mark
2(f) (i)	**Award 1 mark for each valid point up to a max of 3 marks.** **Sample answer** Interest on drawings will discourage excessive drawings **(1)** which will improve cash flow **(1)** and improve the liquidity of the business **(1)** **Accept any other appropriate responses**	**(3)**

Question number	Answer	Mark
2(f) (ii)	**Award 1 mark for each valid point up to a max of 2 marks.** **Sample answer** Interest on capital acts as a form of compensation to the partner who has invested more **(1)** and therefore encourages partners to invest in the business **(1)** **Accept any other appropriate responses**	**(2)**

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS