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Mark Scheme (Results)

Pearson Edexcel International GCSE Accounting 4AC1

PAPER 02: Financial Statements

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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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Question Number	Answer	Mar
1(a)	**Award marks as indicated.** **Sample answer** 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)** **Accept any other appropriate responses**	**(3)**

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Question Number	Answer	M
1(b)	**Award marks as indicated.**	**(11)**

Dingle

Manufacturing account for the year ended 31 January 2023

	$	**$**
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)**

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Question Number	Answer	Mar
1(c)	**Award marks as indicated.**	**(9)**

Dingle

Income statement for the year ended 31 January 2023

	$	**$**
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)**

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Question Number	Answer	Mark
1(d)	**Award 1 mark for identification and 1 mark for development** **Sample answer** The manufacturer may have been unable to produce enough goods to meet demand **(1)** which could have been due to production problems **(1)** **Accept any other appropriate responses**	**(2)**

TOTAL FOR QUESTION 1 = 25 MARKS

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Question Number	Answer	Mark
2(a)	**Award 1 mark for identification and up to 2 marks for development.** **Sample answer** 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)** **Accept any other appropriate responses**	**(3)**

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

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Question Number	Answer	Mark
2(c)	**Award marks as indicated.**	**(12)**

Joan and Lewis
Appropriation account for the year ended 31 December 2022

	$	$
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

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Question Number	Answer	Mark
2(d)	**Award marks for correct date, details and amount in combination.**	**(8)**

Current Account - Lewis

Date	**Details**	**$**	**Date**	**Details**	**$**
31 Dec	Drawings	7 000 **(1)**	1 Jan	Balance b/d	3 900 **(1)**
	Interest on drawings	350 **(1)**	31 Dec	Interest on capital	6 000 **(1)**
	Balance c/d	42 675		Salary	17 000 **(1)**
				Loan interest	600 **(1)**
				Share of profit	22 525 **(1of)**
		50 025			50 025
			1 Jan	Balance b/d	42 675 **(1of)**

TOTAL FOR QUESTION 2 = 25 MARKS

TOTAL MARKS FOR PAPER = 50 MARKS