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Pearson Edexcel

Mark Scheme (Results)

October 2023

Pearson Edexcel International Advanced Level In Accounting (WAC11)
Paper 1 The Accounting System and Costing

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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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1(a) AO1(6):AO2(10):AO3(1)
AO1: Six marks for transferring balances or establishing balances
A02: Ten marks for adjusting incomes or expenses to appropriating profit
AO3: One mark for calculating bank loan interest

Partnership of Artem and Bipul
Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2023

	£	£
Gross profit		101 040
Other income		
Commission received (8 100 + 500)	8 600 **(1) AO2**	
Decrease in allowance for irrecoverable debts	1 300 **(1) AO2**	
		9 900
		110 940
Less		
Bank loan interest (1 400 + 600)	2 000 **(1) AO3**	
Commission allowed (4 000 +500)	4 500 **(1) AO2**	
General expenses	9 700 **(1) AO1**	
Irrecoverable debts (900 + 1 500)	2 400 **(1) AO2**	
Motor vehicle running expenses	7 100 **(1) AO1**	
Rent paid (16 500 + 1 500)	18 000 **(1) AO2**	
Selling expenses (6 800 – 1 700)	5 100 **(1) AO2**	
Wages	23 300 **(1) AO1**	
Depreciation-		
Equipment	3 000 **(1) AO2**	
Motor vehicles	8 000 **(1) AO2**	
Fixtures and fittings	900 **(1) AO2**	
		(84 000)
Profit for the year		26 940
Add Interest on drawings		
Artem	720	
Bipul	540	
		1 260 **(1) AO1**
Less Interest on capital		28 200
Artem	(1 400)	
Bipul	(800)	
		(2 200) **(1) AO1**
Less Salary		26 000
Artem	(6 000)	
		(6 000) **(1) AO1**

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Share of profit or (loss)		20 000
Artem	12 000	**(1of) AO2** both
Bipul	8 000	Correct split
		20 000

(17)

(b)(i) AO1:(3)
AO1: Three marks for transferring balances or totalling sub section

Capital Account of Bipul

Date	Narrative	£	Date	Narrative	£
			2022		
2023			1 Oct	Balance b/d	18 000 **(1) AO1**
30 Sep	Balance c/d	20 000		Cash/ Bank	5 000 **(1) AO1**
		20 000			20 000
			2023		
			1 Oct	Balance b/d	20 000 **(1) AO1**

(3)

(ii) AO1:(4)
AO1: Four marks for transferring balances or totalling sub section

Current Account of Artem

Date	Narrative	£	Date	Narrative	£
2022			2022		
1 Oct	Balance b/d	600			
2023			2023		
30 Sep	Salary paid	6 000 **(1) AO1**	30 Sep	Int on cap	1 400**(1)AO1**
	Drawings	12 000 **(1)AO1**		Salary	6 000
	Int on drawings	720		Share of profit	12 000 of
	Balance c/d	80			
		19 400			19 400
			1 Oct	Balance b/d	80 **(1of)AO1**

Dr or Cr no aliens

(4)

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(c) AO1:(7) AO2(5):AO3(3)
AO1: Seven marks for transferring balances or totalling sub section
A02: Five marks for calculating and inserting balances
AO3: Two marks for adjusting for calculating accumulated depreciation and trade receivables

Statement of Financial Position at 30 September 2023

Non-current assets			
	Cost	**Accumulated depreciation**	**Carrying value**
	£	**£**	**£**
Equipment	26 500 **(3)** **AO1/2**	(9 500) **(2)** **AO2/3**	17 000 **(1of)** **AO2**
Motor vehicles	40 000	(22 000)	18 000 **(1of)** **AO2**
Fixtures and fittings	9 000	(7 000)	2 000 **(1of)** **AO2**
	75 500	(38 500)	37 000
Current assets			
Inventory		38 200 **(1)** **AO1**	
Trade receivables 46 500–1 500	45 000		
Less Allowance for ID	(1 800) **(1)** **AO2**		
		43 200 **(1of)** **AO3**	
Other receivables:			
Selling expenses		1 700 **(1)** **AO1**	
Cash and bank (14 000 -5 000)		9 000 **(1)** **AO2**	
			92 100
Total Assets			129 100
Capital			
Artem		35 000	
Bipul		20 000	
			55 000 **(1)** **AO1**
Current accounts			
Artem		80 Cr	
Bipul 250+800+8 000-9 000-540)		490 Dr	
			410 Dr **(1of)** **AO3**
Non-current liabilities			55 410
5% bank loan			50 000 **(1)** **AO1**
Current liabilities			
Trade payables		22 410 **(1)** **AO1**	
Other payables:		2 100	
Bank loan interest 600 **(1)** **AO1**			24 510

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Rent 1 500 **(1) AO1**			
Total capital and liabilities			129 100

(19)

Workings- Equipment	**Cost**	**Accumulated depreciation**	**Carrying value**
	£	**£**	**£**
Opening balance	25 000	(10 000)	15 000
Sale of equipment	(6 000) **[1] AO1**	3 500 **[1] AO2**	(2 500)
Purchase of equipment	7 500 **[1] AO1**	-	7 500
Closing before depreciation	26 500	6 500	20 000

(d) AO1 (1), AO2 (1), AO3 (5), AO4 (5)

Positive points in favour of introducing capital

Interest does not have to be paid on the additional capital

The sum introduced does not have to be refunded within a set timescale as a bank loan does.

There is less work and probably cost as there is no bank loan application which requires time and justification to the bank.

Positive points in favour of a bank loan

The partners may not have the cash funds or it could reduce the personal cash that they have available for personal use.

The proposal for additional funding will have to be business evaluated by a professional and third-party body, the bank.

More of the risk will be assumed by the bank.

Decision

Candidates may conclude that it is better to introduce additional capital in cash or further extend the bank loan. Candidates should support that decision with an appropriate rationale.

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Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-3	Isolated elements of knowledge and understanding recall based. Weak or no relevant application to the scenario set. Generic assertions may be present.
Level 2	4 - 6	Elements of knowledge and understanding, which are applied to the scenario. Chains of reasoning are present, but may be incomplete or invalid. A generic or superficial assessment is present.
Level 3	7 - 9	Accurate and thorough understanding, supported throughout by relevant application to the scenario. Some analytical perspectives are present, with developed chains of reasoning, showing causes and/or effects. An attempt at an assessment is presented, using financial and non-financial information, in an appropriate format and communicates reasoned explanations
Level 4	10 - 12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective application to the scenario. A coherent and logical chain of reasoning, showing causes and effects. Assessment is balanced, wide ranging and well contextualised using financial and non-financial information and makes informed recommendations and decisions.

(12)

Q1	**Total marks**	**55**

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2(a) (i) AO1(2):AO2(4)
AO1: Two marks for transferring balances
A02: Four marks for adjusting for trade receivables

Sales

	£
Cash sales banked	48 400 **[1]** **AO1**
Cash sales drawings	10 400 **[1]** **AO2**
Receipts from credit sales	36 200 **[1]** **AO1**
Irrecoverable debts	2 100 **[1]** **AO2**
	97 100
Trade receivables 1 Oct 2022	(4 650) **[1]** **AO2**
	92 450
Trade receivables 30 Sept 2023	3 850 **[1]** **AO2**
	96 300 **(6)**

(6)

(ii) AO1(2):AO2(2)
AO1: Two marks for transferring balances
A02: Two marks for adjusting for trade payables

Purchases

	£
Cash purchases	9 800 **[1]** **AO1**
Paid for credit purchases	34 900 **[1]** **AO1**
	44 700
Trade payables 1 Oct 2022	(7 300) **[1]** **AO2**
	37 400
Trade payables 30 Sept 2023	3 500 **[1]** **AO2**
	40 900 (**4**)

(4)

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(b) AO1(1):AO2(6):AO3(4)
AO1: One mark for transferring balances or establishing profit
A02: Six marks for adjusting expenses to match income
AO3: Four marks for calculating general expenses and cost of sales

Costas
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 September 2023

	£	£
Revenue		96 300
Opening inventory	1 100	
Purchases	40 900 of	
	42 000	
Closing inventory	(1 450)	
Cost of sales		(40 550) **(1of) AO3**
Gross profit		55 750
Plus other income		
Commission received		850 **(1) AO2**
		56 600
Less		
Irrecoverable debts	2 100 **(1) AO2**	
Wages (17 000 + 800 – 350)	17 450 **(1) AO3**	
General expenses (8 900 +950 +2 400)	12 250 **(1) AO3**	
Rent (19 500 – 1 500)	18 000 **(1) AO2**	
Bank loan interest	900 **(1) AO2**	
Depreciation: Equipment	1 550 **(1) AO2**	
Delivery vehicle	700 **(1) AO2**	
Loss on sale of delivery vehicle	1 300 **(1) AO3**	
		(54 250)
Profit for the year		2 350 **(1of) AO1+w**

(11)

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(c) AO2(7)
A02: Seven marks for calculating cost

Sandwich cost

		Cost per sandwich £
Raw material		
Bread	£1.50 divided by 20 times 2	0.15 **(1) AO2**
Fillings	£6.00 divided by 15	0.40 **(1) AO2**
Packaging	£5 divided by 100	0.05 **(1) AO2**
Labour		
Making sandwich	£9 divided by 60 times 3	0.45 **(1) AO2**
Packing sandwich	£9 divided by 60 times 2	0.30 **(1) AO2**
Overheads		1.20 **(1) AO2**
Total cost		2.55 **(1of) AO2** All three elements

(7)

(d)(i) AO1(2)
AO1: Two marks for explanation of day work

Wages equals hours worked (1) AO1 times rate per hour (1) AO1.

(2)

(ii) AO1(2)
AO1: Two marks for explanation of piecework

Wages equals completed production (1) AO1 times rate per piece (1) AO1.

(2)

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(e) AO2(4):AO3(1)
A02: Four marks for calculating costs and total
AO3: One mark for total including all elements

Projected sandwich cost using piecework

		Cost per sandwich £
Raw materials	£0.60 **of** plus 10%	0.66 **(1of) AO2**
Labour		
Making		0.30 **(1) AO2**
Packing		0.15 **(1) AO2**
Overheads	£1.20 less 20%	0.96 **(1) AO2**
Total cost		2.07 **(1of) AO3** **All three elements**

(5)

(f) (i) AO2(3)
A02: Three marks for calculation

40 hours x £9 per hour = £360 (1) AO2
5 hour x £12 per hour = £60 (1) AO2
£420 for Week 27 (1of) AO2

(3)

(ii) AO2(3)
A02: Three marks for calculation

2 700 sandwiches **(1) AO2** x £0.15 **(1) AO2**= £405 for Week 27 **(1) AO2**

(3)

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(g) AO1 (1), AO2 (1), AO3 (5), AO4 (5)

Positive points in favour of day work from Costas point of view

Workers understand simple calculation of payment based upon time worked.
Workers will quality assess their own work, no need for additional quality control supervisor.
Wastage of materials will be much lower.

Positive points in favour of piecework from Costas point of view

Cost per sandwich will diminish from £2.55 to £2.07 each. This will increase the profitability of the business.
More output can be produced with the same number of staff.
May lead to quality issues with the product as workers hurry to meet targets and earn income.
More need for supervision to ensure that workers remain on task.

Decision

Candidates may conclude that day work or piecework would be more appropriate. Candidates should support that decision with an appropriate rationale.

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(12)

Q2	**Total marks**	**55**

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3(a) AO1(4)
AO1: Three marks for stating three uses

- Locating errors
- Prove double entry and arithmetical accuracy
- Speed of calculating total trade receivable and trade payables
- Speed in preparing financial statements
- Reduces the possibility of fraud
- Summary of transactions of debtors and creditors
- Aid decision making.

3 x 1 mark **(1) AO1** **(3)**

(b) AO1(2):AO2(6):AO3(3)
AO1: Two marks for balancing
A02: Six marks for correctly entering in account
AO3: Three marks for adjusting balances and correctly entering in account

Trade Receivables Ledger Control Account

Date	Details	£	Date	Details	£
2023			2023		
Aug			Aug		
1	Balance b/d	4 500			
31	Credit sales	12 130 **(1)AO3**		Sales returns	1 500 **(1)AO2**
	Bank (dishonoured)	130 **(1)AO3**		Bank	10 900 **(1)AO2**
	Bank (refunds)	60 **(1)AO2**		Discount allowed	230 **(1)AO2**
	Interest charged	25 **(1)AO2**		Irrecoverable debt	1 050 **(1)AO2**
				Contra	620 **(1)AO3**
31	Balance c/d	360	31	Balance c/d	2 905
		17 205			17 205
Sept			Sept		
1	Balance c/d	2 905 **(1of)AO1**	1	Balance b/d	360 **(1)AO1**

On Dr and no aliens

(11)

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(c) AO2(6)
A02: Six marks for adjusting expenses to match income

General Journal

	Dr	Cr
	£	£
Polis	90 **(1)AO2**	
Irrecoverable debts recovered		90 **(1)AO2**
Bank	90 **(1)AO2**	
Polis		90 **(1)AO2**
Irrecoverable debts recovered	90 **(1)AO2**	
Statement of profit or loss		90 **(1)AO2**

(6)

(d) AO1(4)
AO1: Four marks for stating credit control uses

- Check history of each trade receivable payment record.
- Seek references from e.g the bank.
- Place limit upon value of goods supplied on credit.
- Issue invoices promptly.
- Provide regular statements of outstanding debt.
- Contact the trade receivable after 28 days checking progress on payment.
- More forceful and regular contact where debt still remains unpaid.
- Charge interest on overdue account
- Possible legal action if debt remains outstanding for extended period.

NOT

- Sell only for cash
- Increase discount allowed

4 x **(1) AO1** **(4)**

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(e) AO2 (1), AO3 (2), AO4 (3)

Positive points for cash only

Cash is received at once and cash flow is improved.
There are no debts to become irrecoverable and therefore the time and cost of recovering them are avoided.

Negative points for cash only

Not all customers will have the cash to pay immediately. They will probably need to sell the goods in order to pay for the goods in cash.
Those customers who do not have the cash available may deal with competitors and therefore sales will be lost by Andeas.
Security issues with a large volume of cash.

Decision

Candidates may conclude that the decision should/should not be made to sell all goods cash only. Candidates should support that decision with an appropriate rationale.

Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-2	Isolated elements of knowledge and understanding which are recall based. Generic assertions may be present. Weak or no relevant application to the scenario set.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the scenario. Some analysis is present, with developed chains of reasoning, showing causes and/or effects applied to the scenario, although these may be incomplete or invalid. An attempt at an evaluation is presented, using financial and perhaps non-financial information, with a decision.
Level 3	5-6	Accurate and thorough knowledge and understanding. Application to the scenario is relevant and effective. A coherent and logical chain of reasoning, showing causes and effects is present. Evaluation is balanced and wide ranging, using financial and perhaps non-financial information and an appropriate decision is made.

(6)

Q3	Total marks	30

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4 (a) AO1:(4)
AO1: Four marks for explaining reasons for calculation

	Use of assets	Profitability
1	Calculates how well the business is using its assets. **(2) AO1**	Measures relationship of profit to turnover or capital used. **(2) AO1**
2	Identifies those assets making most and least contribution to the activity of the business. **(2) AO1**	Enables a comparison to be made with previous periods or sector standards. **(2) AO1**
3	Identifies those assets that have most and least impact on the businesses activity. **(2) AO1**	Identifies the areas where improvement needs to be made. **(2) AO1**

MAX 2 marks use of assets and 2 marks profitability (4)

(b) AO1 (1): AO2(8): AO3(3)
AO1: One mark for transferring value of non-current assets
AO2: Eight marks for calculating component figures and the ratios
AO3: Three marks for calculating credit purchases and profit before interest

(i) Gross profit for the year / Revenue — **240 (1) AO2 x 100 = 40% (1) AO2** / **600**

(ii) Profit for the year before interest / Capital + Non-current liabilities — **20 + 4 (1) AO3 x 100 = 3% (1) AO2** / **720 + 80**

(iii) Revenue / Non-current assets — **600 = £0.90 for every £1 (1) AO2** / **660 (1) AO1**

(iv) Cost of sales / Average inventory — **360 = 4.5 times (1) AO2** / **(85 + 75)/2 (1) AO3**

(v) Trade receivables x 365 / Credit sales — **120 x 365 = = 73 days (1) AO2** / **600 (1) AO2**

(vi) Trade payables x 365 / Credit purchases — **50 x 365 = 49.32 days (1) AO2** / **370 (1) AO3**

Working
Credit purchases 360 - 75 + 85 = 370

(12)

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(c) (i) AO1(2):AO2(2)
AO1: Two marks for identifying improvement or deterioration
AO2: Two marks for comment about the reason for the change

The profitability is **deteriorating (1)** **AO1** and therefore there will be less cash flowing into the business. **(1)** **AO2**
Trade receivables collection period is **deteriorating (1)** **AO1** 40 days to 73 days in two years slower receipt of cash. **(1)** **AO2**
Trade payables payments period is reduced and **deteriorating (1)** **AO1** 60 days to 52 days therefore faster outflow of cash meeting trade payable payments. **(1)** **AO2**
Inventory levels have increased **(1)** **AO1** requiring greater investment of cash. **(1)** **AO2**
MAX 2 x 2 marks

(4)

(ii) AO1(2):AO2(2)
AO1: Two marks for identifying improvement or deterioration
AO2: Two marks for commenting about the reason for the change

The gross profit as a percentage of revenue has been **improving (1)** **AO1** it has moved from 30 to 32% meaning either increased prices or reduced purchase costs. **(1)** **AO2**
Return on capital employed continues to **deteriorate (1)** **AO1** down from 10% to 3% which may be due to increased long-term borrowing. **(1)** **AO2**
Sunshine partners continue to get **greater use** out of their non-current assets **(1)** **AO1** generating higher profits from them with revenue up from £0.75 to £0.90 for every £1 of non-current assets. **(1)** **AO2**
MAX 2 x 2 marks

(4)

(d) AO2 (1), AO3 (2), AO4 (3)

Positive points for social accounting

Business can do and be seen to make decisions which benefit the wider community who rely upon the environment, safety for all, use natural resources wisely and benefit the local community and workforce.
The business can gain respect and positive feelings from the public for their actions which may benefit them in the long term.
May provide the business with a marketing benefit.

Negative points for social accounting

The prime driver of the entrepreneur is the profit motive which does not consider actions which would reduce profit.
Decisions and actions must generally lead to a profitable outcome otherwise there is no point in pursuing them.
Cost implications which reduce profit.

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Decision
Candidates may conclude that considering social accounting is positive or negative for the business. Candidates should support that decision with an appropriate rationale.

Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-2	Isolated elements of knowledge and understanding which are recall based. Generic assertions may be present. Weak or no relevant application to the scenario set.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the scenario. Some analysis is present, with developed chains of reasoning, showing causes and/or effects applied to the scenario, although these may be incomplete or invalid. An attempt at an evaluation is presented, using financial and perhaps non-financial information, with a decision.
Level 3	5-6	Accurate and thorough knowledge and understanding. Application to the scenario is relevant and effective. A coherent and logical chain of reasoning, showing causes and effects is present. Evaluation is balanced and wide ranging, using financial and perhaps non-financial information and an appropriate decision is made.

(6)

Q4	**Total marks**	**30**

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5(a)AO1:(6)
AO1: Six marks for explanations

Business entity – The business is treated completely **separate (1) AO1** from the **owner** of the business. **(1) AO1**

Realisation – Profit is only regarded as being earned when the legal **title (1) AO1** to the goods or services passes **from the seller** to the buyer. **(1) AO1**

Accruals – The accounts must show the revenue earned in an accounting period **(1) AO1** matched against the expenses involved in earning those revenues. **(1) AO1**

(6)

(b) (i) AO1(1):AO2(4):AO3(1)
AO1: One mark for transferring raw materials
A02: Four marks for correctly calculating effect
AO3: One mark for total production cost

Production Cost

	£	**£**
Raw material purchased	5 000 **(1) AO1**	
Closing inventory	(500) **(1) AO2**	
		4 500
Wages		4 000 **(1) AO2**
Prime cost		8 500
Overheads		
Production expenses (3 700 – 600)	3 100 **(1) AO2**	
Depreciation on manufacturing equipment	400 **(1) AO3**	
		3 500
Production cost		12 000 **(1of) AO3**
		No aliens

(6)

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(ii) AO1(1):AO2(4)
AO1: One mark for calculating the final profit for the year
A02: Four marks for correctly transferring and calculating profit for year.

Statement of profit or Loss and Other Comprehensive Income

	£	£
Revenue (16 800 + 1 200)		18 000 **(1) AO2**
less		
Production cost	12 000 **(1of) AO2**	
Closing inventory of finished goods	(1 200) **(1of) AO2**	
Cost of sales		(10 800)
Gross profit		7 200
Selling expenses (2 300 + 450)		(2 750) **(1) AO2**
Profit for the year		4 450 **(1of) AO1**

(iii) AO1(1):AO2(5):AO3(1)
AO1: One mark for final balancing figure
A02: Five marks for correctly adjusting opening balance
AO3: One mark for calculating revenue received

Bank summary

	£		£
Balance b/d	4 000	Raw materials	5 000 **(1) AO2**
Revenue (18 000 -1 200)	16 800 **(1) AO3**	Drawings	5 000 **(1) AO2**
		Wages	4 000 **(1) AO2**
		Production overheads	3 800 **(1) AO2**
		Selling expenses	2 300 **(1) AO2**
		Balance c/d	700
	20 800		20 800
Balance b/d	700 **(1of) AO1**		
	No aliens		

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(c) AO2 (1), AO3 (2), AO4 (3)

Positive points for Banuja employing a part-time book-keeper.

Banuja would be supplied with financial information to enable him to run his business.
The book-keeper could deal with all financial queries and exercise credit control.
It would free up his time to concentrate on the management of the business.
Accounting information would help Banuja to manage the business.

Negative points for Banuja employing a part-time book-keeper

Costs would increase.
Banjula time will still be occupied providing information to the book-keeper.

Decision
Candidates may conclude that Banuja should/ or should not employ a part-time book-keeper.
Candidates decision should be supported by an appropriate rationale.

Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-2	Isolated elements of knowledge and understanding which are recall based. Generic assertions may be present. Weak or no relevant application to the scenario set.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the scenario. Some analysis is present, with developed chains of reasoning, showing causes and/or effects applied to the scenario, although these may be incomplete or invalid. An attempt at an evaluation is presented, using financial and perhaps non-financial information, with a decision.
Level 3	5-6	Accurate and thorough knowledge and understanding. Application to the scenario is relevant and effective. A coherent and logical chain of reasoning, showing causes and effects is present. Evaluation is balanced and wide ranging, using financial and perhaps non-financial information and an appropriate decision is made.

(6)

Q5	Total marks	30

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6(a) AO1(4)
AO1: Four marks explaining the differences

(i) error of original entry **(2)**

The **correct value recorded in the book of prime/original entry** is corrupted **(1) AO1** and a **different value debited and credited to the ledger. (1) AO1**

(ii) error of principle. **(2)**
One of the entries which is of the **correct value** of a transaction is recorded in the incorrect account **(1) AO1** which is in a **different class**/subdivision of the ledger. **(1) AO1**

(b) AO2(10)
AO2: Ten marks for preparing the journal entries

Journal

	Dr	**Cr**
Sales returns/Returns inwards	520**(1) AO2**	
Elena		520 **(1) AO2**
Drawings	450 **(1) AO2**	
Wages		450 **(1) AO2**
Suspense	500 **(1) AO2**	
Commission receivable		500 **(1) AO2**
Suspense	45 **(1) AO2**	
Insurance		45 **(1) AO2**
Irrecoverable debt/Bad debts	720 **(1) AO2**	
Suspense		720 **(1) AO2**

(10)

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(c) AO1:(3) AO3 (1)
AO1: Three marks for making the correct entries in the suspense account
AO3: One mark for calculating the correct difference

Suspense account

Date	Narrative	£	Date	Narrative	£
2023	Difference in TB	175 **(1) AO3**	2023		
30 Sept	Commission rec	500 **(1) AO1**	30 Sept	Irrecoverable deb	720 **(1) AO1**
	Insurance	45 **(1) AO1**			
		720			720

(4)

(d) AO1:(2): AO2(2): AO3(2)
AO1: Two marks for correct value and orientation and revised profit
A02: Two marks for correct value and orientation
AO3: Two marks for correct calculated value and orientation.

	£	**£**
Draft profit		7 900
Plus		
Wages (Drawings)	450 [**1**] **AO2**	
Commission receivable	500 [**1**] **AO3**	
Insurance	45 [**1**] **AO3**	
		995
		8 895
Minus		
Sales returns	520 [**1**] **AO1**	
Irrecoverable debt	720 [**1**] **AO2**	
		(1 240)
Revised profit		7 655 **(1of) AO1**
		No aliens

(6)

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(e) AO2 (1), AO3 (2), AO4 (3)

Positive points for calculating profit

Although not completely accurate it does provide an estimate of the profit which has been made.

Decisions may need to be taken therefore any information may be helpful.

Negative points for calculating profit when there are errors in the books

The profit could be substantially different in reality.

Incorrect decisions may be made.

Decision

Candidates may conclude that it is positive or negative to calculate a profit from inaccurate information. Candidates should support that decision with an appropriate rationale.

Level	Mark	Descriptor
	0	A completely incorrect response.
Level 1	1-2	Isolated elements of knowledge and understanding which are recall based. Generic assertions may be present. Weak or no relevant application to the scenario set.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the scenario. Some analysis is present, with developed chains of reasoning, showing causes and/or effects applied to the scenario, although these may be incomplete or invalid. An attempt at an evaluation is presented, using financial and perhaps non-financial information, with a decision.
Level 3	5-6	Accurate and thorough knowledge and understanding. Application to the scenario is relevant and effective. A coherent and logical chain of reasoning, showing causes and effects is present. Evaluation is balanced and wide ranging, using financial and perhaps non-financial information and an appropriate decision is made.

(6)

Q6	Total marks	30

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