www.dynamicpapers.com

Pearson Edexcel

Mark Scheme (Results)

Summer 2024

Pearson Edexcel International Advanced Level
In Accounting (WAC11) Paper 01
Unit 1: The Accounting System and Costing

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 2024
Question Paper Log Number P75882A
Publications Code WAC11_01_2406_MS
All the material in this publication is copyright
© Pearson Education Ltd 2024

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

Q1 (a) AO1:(11) AO2(10)

AO1: Eleven marks for recording given balances

AO2: Ten marks for calculating and correct use of balance

Rapid Supplies

Statement of Profit Loss and Other Comprehensive Income for the year ended 30 April 2024

	£	£
Revenue	345 000	
Less returns inwards	(11 180)	
		333 820 **(1)**AO1
Opening inventory	9 800	
Purchases	187 900	
Less returns outwards	(5 700) **(1)**AO1	
		192 000
Less closing inventory		(12 000)
Cost of sales		180 000**(1of)**AO2**+W**
Gross profit		153 820
Plus Other Income		
Commission received	8 000 **(1)**AO1	
Discount received	950 **(1)**AO1	
Profit on disposal	1 250 **(1)**AO1	
		10 200
		164 020
Less Expenses		
Allowance for irrecoverable debts	320 **(1)**AO2	
Bank loan interest (500 + 250)	750 **(1)**AO2	
Delivery vehicle expenses	6 250 **(1)**AO1	
Discount allowed	1 350 **(1)**AO1	
General expenses	7 450 **(1)**AO1	
Insurance	2 100 **(1)**AO1	
Irrecoverable debts (850 + 400)	1 250 **(1)**AO2	
Depreciation - Premises	1 800 **(1)**AO2	
- Delivery vehicles	4 000 **(1)**AO2	
- Office equipment	7 500 **(1)**AO2	
Marketing costs (11 250 – 1 500)	9 750 **(1)**AO2	
Power and water (13 500+1 100- 400)	14 200 **(1)**AO2	
Rates	11 900 **(1)**AO1	
Wages and salaries	60 400 **(1)**AO1	
		(129 020)
Profit for the year		35 000 **(1of)**AO2 **+W**
		No Aliens

(21)

Note: Discount allowed deducted from revenue **(1)**AO1

Discount received deducted from purchases **(1)**AO1

www.dynamicpapers.com

(b) AO1:(5) AO2(12):AO3(1)

AO1: Five marks for recording given balances

AO2: Twelve marks for calculating and correct use of balance

AO3: One mark for calculating delivery vehicle accumulated depreciation.

Statement of Financial Position at 30 April 2024

Non-current assets			
	Cost	**Accumulated depreciation**	**Carrying value**
	£	**£**	**£**
Premises	90 000	10 800	79 200 **(1of)**AO2
Delivery vehicles	40 000 **(1)**AO2	24 000 **(1)**AO3	16 000
Office equipment	30 000	20 900	9 100 **(1of)**AO2
	160 000	55 700	104 300 **(1of)**AO1
Current assets			
Inventory		12 000 **(1)**AO1	
Trade receivables less	12 800		
Less irrecoverable debts	(400)		
	12 400 **[1]**AO2		
Less allowance for irrecoverable debts	(620) **[1]**AO2	11 780 **(3)**AO1	
Other receivables 400**[1]** +1 500**[1]**		1 900 **(2)**AO2	
Cash and bank 10 120**[1]** + 3 750**[1]**		13 870 **(2)**AO2	
			39 550
TOTAL ASSETS			143 850
Capital		100 000	
Profit for the year		35 000	
		135 000	
Drawings		(28 000)	
			107 000 **(1of)**AO2
Non-current liabilities			
5% bank loan			20 000 **(1)**AO1**+W**
Current liabilities			
Trade payables		15 500 **(1)**AO1	
Other payables 1 100**[1]** +250**[1]**		1 350 **(2)**AO2	
			16 850
TOTAL CAPITAL AND LIABILITIES			143 850

(18)

www.dynamicpapers.com

(c) (i) AO1:(2)
AO1: Two marks for explaining the terms

Hours worked **(1)**AO1 x fixed **rate per hour (1)**AO1

(2)

(c) (ii) AO1:(2)
AO1: Two marks for explaining the terms

Items completed **(1)**AO1 x **rate per item (1)**AO1

(2)

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

Points in favour of a change to piecework
The delivery driver will be incentivised to increase the number of deliveries which would increase their income and the profit for the business.
More customers may be able to be reached more quickly and faster.
Delivery drivers will become motivated to work hard will be rewarded with higher pay.

Points against a change to piecework
Other employees are remunerated on a day work basis.
Delivery drivers will be in a hurry and not have the time to provide good customer service.
From the employee's point of view income is not guaranteed as it would be with day rate.
Some deliveries may take longer because of distance travelled and size/number of items delivered. Unfair to penalise drivers for long journeys or large loads.
Drivers will be in a hurry and take driving risks with speeding and possible accidents.
As the drivers are rushing possible damage to customers goods.

Conclusion
Candidates may conclude that it will be better to continue with the current remuneration arrangement or to change to a piecework basis. The candidate's conclusion should be supported by an appropriate rationale.

Note
Accept other valid answers

www.dynamicpapers.com

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**

www.dynamicpapers.com

Q2

(a) AO1(5):AO2(22):AO3(1)

AO1: Five marks for transferred balances or repeat balances

AO2: Twenty-two marks key figures and for calculating ratio

AO3: One mark for calculating purchases

	Alpha Stores	**Beta Bargains**
	£000's	**£000's**
(i)Gross profit as a percentage of revenue	320 **(1)**AO2 x 100 = 40% 800 **(1)**AO2	380 **(1)**AO2 x 100 = 47.50% 800 **(1)**AO2
(ii)Profit for the year as a percentage of revenue	20 **(1)**AO2 x 100 =2.50% 800 **(1)**AO2	120 **(1)**AO2 x 100 =15.00% 800 **(1)**AO2
(iii)Inventory turnover (times)	480 =16 times (28 + 32)/2 **(1)**AO2 **(1)**AO2	420 **(1)**AO1 =10 times (48 +36)/2 **(1)**AO2
(iv)Current ratio	32+40+10 **(1)**AO2 =2.34:1 35 **(1)**AO2	36+50 = 0.97:1 **(1)**AO2 55+24+10 **(1)**AO2
(v)Liquid (acid test) ratio	40+10 **(1)**AO1 = 1.43:1 35 **(1)**AO2	50 = 0.56:1 **(1)**AO2 55+24+10 **(1)**AO1
(vi)Trade payables payment period (days)	35 x 365 =26.39 days 484 **(1)**AO3 **(1)**AO2	55 x 365 **(1)**AO1=49.20 days 408 **(1)**AO2
(vii)Trade receivables collection period (days)	40 x 365 = 22.81 days 640 **(1)**AO2 **(1)**AO2	50 x 365**(1)**AO1=45.63 days 400 **(1)**AO2
Workings Purchases	480+32-28 =484	420+36-48 =408

(28)

www.dynamicpapers.com

(b) (i) AO3(3)

AO3: Three marks for comments about profitability

OWN FIGURE RULE APPLIES

Alpha stores

Gross profit as a percentage of revenue is low **(1)** compared to competitors. This may be due to the reducing prices to increase sales or selling an inferior product to that which competitors sell. **(1)**

Net profit as a percentage of revenue is very small **(1)** at 2.50% this may be due to a lack of control on expenses. **(1)**

The inventory is turning over at a higher rate **(1)** than competitors indicating reduced prices or lower inventory holdings. **(1)**

Max 3 marks for comments x **(1)**AO3

(3)

(b) (ii) AO3(3)

AO3: Three marks for comments about liquidity

OWN FIFURE RULE APPLIES

Beta Bargains

The liquidity of Beta Bargains is poor. **(1)**

The current ratio at 0.97:1 is considerably below the bench mark of 1.4 to 2:1. **(1)** This may be due to a high inventory level. **(1)**

The liquid (acid test) ratio at 0.56:1 is slightly below the bench mark of 0.7:1 **(1)** this may be due to a high level of trade payables which are not being paid on time. **(1)**

Trade receivable collection period is higher **(1)** than we would wish to see at 46 days. Effective credit control is required to reduce this level. **(1)**

Trade payables are very high at 49 days **(1)** and suppliers may soon restrict supplies or stop supplying altogether until payment is made. **(1)**

There is a bank overdraft of up to £24 000 and a bank loan of £10 000 is scheduled for repayment on 30 September 2024. **(1)**

Max 3 marks for comments x **(1)**AO3

(3)

www.dynamicpapers.com

(c) AO1:(2)

AO1: Two marks for explaining the term

Goodwill is an intangible asset **(1)**AO1 calculated from the excess of the selling price **(1)**AO1 above the net value of the assets **(1)**AO1 purchased.

Max 2 marks

(2)

(d) AO1:(3)

AO1: Three marks for explaining the term

Existing customers
Existing reputation of the business being purchased
Location of business
Quality of products or service/reputation
Quality of staff

Max 3 x (1)AO1 **(3)**

(e) AO1 (1):AO2: (3)

AO1: One mark for capital

AO2: Three marks for calculating goodwill

Assets	**£**	**Liabilities**	**£**	**Capital Goodwill**	**£**
Receivables	50 000	Payables	55 000		
Non-current	80 000	Cash/bank	24 000	Purchase price	100 000
Inventory	36 000	Bank loan	10 000		
	166 000		89 000	Capital	77 000 **[1of]**AO1
	[1]AO2		**[1]**AO2	Goodwill	23 000 **(4)**AO2

(4)

www.dynamicpapers.com

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

Points in favour of using ICT

A greater volume of data can be processed faster by the computer.
Accuracy will increase as the computer does not make mistakes if data is input correctly.
Accounts and statements can be prepared on a regular business to aid the businesses management.
Storage space required is much reduced.
Security can be improved as data can be password protected.
Speed of entering transactions in the accounts with automatic posting of entries.
Reduction in errors when completing entries in accounts.

Points against using ICT

The cost of purchasing hardware and software can be significant.
Initial training will be required and ongoing training on software updates.
Software upgrades can be expensive.
Vulnerability to equipment breakdowns, virus and 'hacking'.
Possible data losses through systems failures.

Conclusion

Candidates may conclude that it will be better to use ICT or not to use ICT. The candidate's conclusion should be supported by an appropriate rationale.

Note

Accept other valid answers

www.dynamicpapers.com

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)

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

www.dynamicpapers.com

Q3

(a) AO1:(4)

AO1: Four marks for stating two characteristics

Non-profit making club	**Sole trader**
Non-profit making	Profit motive
Prepare income and expenditure account	Prepares statement of profit or loss and other comprehensive income
Prepares receipts and payments account	Prepares cash book
Accumulated fund	Capital account
Main income subscriptions	Main income sales

2 differences x 2 marks per difference

(4)

(b) (i) AO2(4):AO3(1)

AO2: Four marks for calculating and correct use of balance

AO3: One marks for calculating bank entry

Subscriptions Account

Date	**Details**	**£**	**Date**	**Details**	**£**
2023			2023		
1 May	Balance b/d	300 **(1)**AO2 Both	1 May	Balance b/d	420
2024			2024		
30 Apr	Income and Expenditure	5 400 **(1)**AO2	30 Apr	Bank/Receipts and payments	4 980 **(1of)**AO3
			30 Apr	Irrecoverable/Bad debts	180 **(1)**AO2
30 Apr	Balance c/d	240	30 Apr	Balance c/d	360
		5 940			5 940
1 May	Balance b/d	360 **(1)**AO2 Both	1 May	Balance b/d	240

(5)

www.dynamicpapers.com

(b) (ii) AO1:(1) AO2(2) :AO3(1)

AO1: One mark for recording given balances

AO2: Two marks for calculating purchases and gross profit

AO3: One mark for calculating closing inventory

Oldmixon Tennis Club
Refreshment Trading Account for the year ended 30 April 2024

	£	£
Revenue		11 900 **(1)**AO1
Less		
Opening inventory	950	
Purchases (4 500 + 1 200)	5 700 **(1)**AO2	
	6 650	
Less Closing inventory	(1 120) **(1)**AO3	
Cost of sales		(5 530)
Gross profit		6 370 **(1of)**AO2 +W
		No aliens

(4)

www.dynamicpapers.com

(b) (iii) AO1:(4) AO2(6) :AO3(1)

AO1: Four marks for recording given balances

AO2: Six marks for calculating and correct use of balance

AO3: One mark for calculating electricity and water

Income and expenditure Account for the year ended 30 April 2024

	£	£
Income		
Subscriptions	5 400 **(1of)**AO1	
Grant	5 000 **(1)**AO1	
Profit on refreshment sales	6 370	
Profit on sale of equipment	700 **(1)**AO2	
		17 470
less		
Expenditure		
Irrecoverable debts	180 **(1of)**AO1	
Depreciation	6 400 **(1)**AO2	
Rent (1 500 + 500)	2 000 **(1)**AO2	
Electricity and water (890+190-135)	945 **(1)**AO3	
Wages (4 655 – 400)	4 255 **(1)**AO2	
Equipment repairs	1 500 **(1)**AO1	
Sundry expenses (1 200 – 100)	1 100 **(1)**AO2	
		(16 380)
Surplus		1 090 **(1of)**AO2 +W
		No aliens

(11)

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

Points for suitability of a bank loan

Monies may be quicker to be raised rather than waiting for subscriptions to be approved and collected.

The cost of the refurbishment and loan interest may be repaid from subscriptions over a ten-year period.

A large increase in subscriptions in the order of £200 per member can be avoided reducing the potential loss of members.

www.dynamicpapers.com

Points for suitability of raising subscriptions

No approvals will be required from the bank.

No interest will be paid on the loan.

The works can be paid for in a single year.

May not be able to raise the required sum.

Conclusion

Candidates may conclude that it will be better finance the refurbishment with a bank loan or raised subscription fees. The candidate's conclusion 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)

Q3	Total marks	30

www.dynamicpapers.com

Q4

(i) AO1:(2)

AO1: Two marks for explaining the term

The transaction is posted to the **incorrect class** of account **(1)**AO1 although there is a **debit and credit** of equal value/ recorded the **correct values** on the correct sides/ this will **not affect the balancing of the trial balance. (1)**AO1

(2)

(ii) AO1:(2)

AO1: Two marks for explaining the term

A **temporary account** / balance the trial balance **(1)**AO1 **until errors are found** and **corrected. (1)**AO1

(2)

(b) AO1:(5) AO2(5)

AO1: Five marks for correct narrative

AO2: Five marks for narrative and value

Journal

	Dr	**Cr**
	£	**£**
Purchases	5 400 **(1)**AO2	
Suspense **(1)**AO1		5 400
Drawings	1 560 **(1)**AO2	
General expenses **(1)**AO1		1 560
Suspense	750 **(1)**AO2	
Commission receivable **(1)**AO1		750
Income statement/Depreciation	250 **(1)**AO2	
Provision for depreciation **(1)**AO1		250
Allowance/Provision for irrecoverable/bad debts	650 **(1)**AO2	
Income Statement **(1)**AO1		650

(10)

www.dynamicpapers.com

(c) AO2(7) :AO3(3)
AO2: Seven marks for calculating and using the correct value or correct orientation
AO3: Three marks for calculating and items (1), (4) and (5)

Corrected Profit

	£	£	£
Draft profit			19 000
	Increase	**Decrease**	
Error			
(1) Purchases		5 400 **(1)**AO3	
(2) Payment to owner	1 560 **(1)**AO2		
(3) Commission receivable	750 **(1)**AO2		
(4) Depreciation		250 **(1)**AO3	
(5) Allowance for irrecoverable debts	650 **(1)**AO3		
	2 960	5 650	
Revised profit			16 310

1 mark for correct value (1)AO2 **plus 1 mark for each correct orientation (1)**AO2
(10)

www.dynamicpapers.com

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

Positive points in favour of IAS

Gives more accurate profit calculation when revenues and expenses are calculated using accounting concepts.
Provides consistency and comparability between different businesses.
Users of the information can rely on the information and make informed decisions.
The standards provide a common standard that can be applied across the world.

Negative points against IAS

Only corporate bodies are required to comply as the Standards.
Concepts and conventions are open to interpretation.
Skilled staff are required to apply the accounting techniques therefore there will be a cost implication.
IAS only covers financial factors so non-financial implications of business activities are ignored.

Decision

Candidates may conclude that International Accounting Standards are of value when preparing their financial statements. Candidates should support that decision with an appropriate rationale.

www.dynamicpapers.com

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**

www.dynamicpapers.com

Q5

(a) AO1:(4)

AO1: Four marks for explaining two causes of depreciation

1. Physical deterioration/ wear and tear/ usage. **(1)**AO1 The result of using the non-current asset is that over time the item will deteriorate to a poor physical state. **(1)**AO1
2. Economic reason/ obsolescence. **(1)**AO1 Most commonly because the non-current asset has become old technology and replaced by more efficient assets. **(1)**AO1
3. Passing of time. **(1)**AO1 Where an asset such as a lease depreciates because the remaining period is reduced. **(1)**AO1
4. Depletion. **(1)**AO1 Usually in the case of wells or mines where extraction of the materials has devalued the non-current asset. **(1)**AO1

2 points x 2 marks **(4)**

(b) AO1:(4)

AO1: Four marks for explaining why different depreciation methods might be used

Reducing balance method. Used when the non-current assets loses **more of the value in the early years (1)**AO1 and this needs to be **reflected in the Income Statement** and the value in the Statement of Financial Position. **(1)**AO1 These non-current assets may incur higher maintenance costs as time passes so the total cost or ownership will even out.

Straight-line method. Used where the non-current asset **loses value evenly over the years (1)**AO1 and the **benefit given** is consistent over a number of years. **(1)**AO1

Note

Not simpler to calculate for straight line.

(4)

www.dynamicpapers.com

(c) AO1:(1) AO2(8):AO3(3)

AO1: One marks for recording the total costs

AO2: Eight marks for calculating each individual cost

AO3: Three marks for calculating fuel costs and the insurance on the Classic

	(i) Classic petrol	**(ii) Super electric**
Per Year	**£**	**£**
Depreciation	4 000 **(1)**AO2	6 500 **(1)**AO2
Fuel cost	3 750 **(1)**AO3	600 **(1)**AO3
Service maintenance	600 **(1)**AO2	350 **(1)**AO2
Repairs	200 **(1)**AO2	150 **(1)**AO2
Road tax	150 **(1)**AO2	-
Insurance	300 **(1)**AO3	400 **(1)**AO2
Total	9 000	8 000 **(1of)**AO1 Both
	(6)	**(6)**

(d) AO2(4)

AO2: Four marks for calculating the cost per kilometre

	(i) Classic petrol	**(ii) Super electric**
Total cost per kilometre	**£9 000 (1of)**AO2 **20 000 km** **= £0.45 per km (1of)**AO2	**£8 000 (1of)**AO2 **20 000 km** **= £0.40 per km(1of)**AO2
	(2)	**(2)**

www.dynamicpapers.com

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

One comment on the petrol car and one comment on the electric car.

Points for Classic petrol	**Points for Super electric**
Fuel stations available and the refuel process is quick	No or limited environmental damage from emissions.
The capital cost of the car is cheaper	The running cost of the car for a year is lower. **(of)**
Points against Classic petrol	**Points against Super electric**
Pollution of the environment ongoing.	The range is only 200 km on a single charge.
Less cost effective than electric. **(of)**	May be difficult to find a charging point on a long journey.
	New technology which may have hidden problems.
	Re-charging the vehicle can be time consuming.

Decision

Candidates may conclude that the Classic car or the Super car is the most appropriate to purchase. 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)

Q5	**Total marks**	**30**

www.dynamicpapers.com

Q6 (a) AO1:(4)

AO1: Four marks for explaining the terms

Allocation.

Charging costs to a cost centre (1)AO1 with costs which are **completely** associated **(1)**AO1 with **one cost centre**

Apportionment.

Sharing of overheads between **all cost centres that benefit (1)**AO1 from the overhead expense on the **most appropriate basis** e.g floor area. **(1)**AO1

(4)

(b) AO1:(2) AO2(7)

AO1: Two marks for adding totals

AO2: Seven marks for calculating re-allotment

Machining	Assembly	Design	Administration
£	£	£	£
100 000	70 000	30 000	30 000
12 000	12 000	(30 000)	6 000 **(1)**AO2
18 000	14 400	3 600 **(1)**AO2	(36 000)
1 440	1 440	(3 600)	720 **(1)**AO2
360	288	72 **(1)**AO2	(720)
29	29	(72)	14 **(1)**AO2
8 **(1)**AO2	6	0	(14) **(1)**AO2
131 837**(1of)**AO1	98 163 **(1of)**AO1	0	0

(9)

Accept responsible rounding

The accounting convention is that the largest figure is re-allotted first, however, **accept own figures if candidates start by allocating Administration first.**

(c) AO1:(2) AO2(4)

AO1: Two marks for recording balances from (b)

AO2: Four marks for calculating and correct information given

Machining
131 837 **(1of)**AO1 =£31.02 per hour **(1of)**AO2 4 250 **(1)**AO2
Assembly
98 163 **(1of)**AO1 =£16.64 per hour **(1of)**AO2 5 900 **(1)**AO2

(6)

www.dynamicpapers.com

(d) AO1:(1) AO2(1):AO3(3)

AO1: One mark for recording given balances

AO2: One mark for identifying over absorbed

AO3: Three marks for calculating overhead recovered and annual return

	Actual	**Rate per hour**	**Total**
	Hours	**£**	**£**
Overhead recovered			
Machining	4 400	31 02 (of)	136 488 **(1of)**AO3
Assembly	5 500	16.64 (of)	91 520 **(1of)**AO3
			228 008
Actual overhead			(184 000) **(1)**AO1
Over absorbed overhead **(1of)**AO2			44 008 **(1of)**AO3

(5)

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

Points in favour of overhead recovery rates

Provides a basis for jobs to be estimated with greater accuracy.

Allows management control of costs.

Information aids decision making and management

Points against overhead recovery rates

Everything is based upon estimates of overhead cost at the beginning of the year, this can result in inaccurate estimation.

There is considerable work in calculating overhead recovery rates and therefore a high cost.

Decision

Candidates may conclude that overhead recovery rates are of value/not of value to the business of Abeer. Candidates should support that decision with an appropriate rationale.

www.dynamicpapers.com

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**

www.dynamicpapers.com

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