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Mark Scheme (Results)

November 2025

Pearson Edexcel International GCSE in Accounting
4AC1/02

Unit 2: 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	Mark
1(a) (i)	**Award marks as indicated.**	

Joleene

Manufacturing account for the year ended 30 September 2025

	$	$	
Raw materials			
Opening inventory	48 900		
Purchases	134 020		
Returns outwards	(4 500)		
Transport costs	6 400		**(1)**
Drawings	(500)		**(1)**
Closing inventory	(54 320)		
Cost of raw materials consumed		130 000	**(1)**
Direct wages	25 500		**(1)**
Direct factory expenses	18 250		
		43 750	
Prime cost		173 750	**(1)**
Overheads			
Indirect factory expenses	24 500		**(1)**
Indirect labour	29 750		**(1)**
Insurance	16 000		**(1)**
Lighting and Heating	25 000		**(1)**
Machinery repairs	1 880		**(1)**
Rent and rates	18 675		**(1)**
Supervisor salary	35 000		**(1)**
Depreciation – factory machinery	35 840		**(1)**
		186 645	
Work in progress			
Opening inventory	23 100		
Closing inventory	(24 270)		
		(1 170)	**(1)**

(15)

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	Production cost		359 225	**(1)**	

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

Joleene

Income statement for the year ended 30 September 2025

	$	$	
Revenue	543 100		
Returns inwards	32 100		
		511 000	
Cost of sales			
Opening inventory	12 870		
Production cost	359 225		**(1of)**
Purchases	11 930		**(1)**
Returns outwards	(1 200)		
Drawings	(750)		**(1)**
Closing inventory	(10 850)		
		(371 225)	**(1of)**
Gross profit		139 775	**(1of)**

(5)

Question Number	Answer	Mark

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1(b)	**Award up to 2 marks for an explanation of the business entity concept** **Award up to 2 marks for the effect on the financial statements.** **Award 1 mark for an overall conclusion.** **Sample answer** If Joleene does not keep a record of goods and cash taken for her own use, she would not be able to comply with the **business entity** concept **(1)** which states that the business has a separate existence from that of its owner **(1).** If Joleene does not maintain any record of goods taken for her own use, then the gross profit will be understated **(1)** as the cost of goods sold will be overstated by the amount of goods she has taken **(1)**. I would advise Joleene to maintain a record of her drawings **(1)**. **Accept any other appropriate responses.**	**(5)**

TOTAL FOR QUESTION 1 = 25 MARKS

Question Number	Answer	Mark
2(a)	**Award marks as indicated.**	**(8)**

Taylor

Income statement for the year ended 31 March 2025

	$	$	
Gross profit		419 250	**(1)**
Profit on disposal (of motor vehicle)		800	**(1)**
Provision for irrecoverable debts		150	**(1)**
		420 200	
Expenses			
Lighting and heating	10 800		
Irrecoverable debts	250		
Sundry expenses	39 630		
Wages and salaries	252 000		**(1)**
Depreciation – fixtures and fittings	5 000		**(1)**
Depreciation – motor vehicles	2 560		**(1)**
		310 240	**(1)**
Profit for the year		109 960	**(1of)**

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Question number	Answer	Mark

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

Taylor
Statement of financial position at 31 March 2025

Assets	**$**	**$**	**$**	
Non-current assets				
Land and buildings	250 000	-	250 000	
Fixtures and fittings	50 000	15 000	35 000	**(1)**
Motor vehicles	20 000	9 760	10 240	**(1)**
			295 240	**(1)**
Current assets				
Inventory		35 200		
Trade receivables		11 400		**(1)**
Cash in hand		1 120		
			47 720	**(1of)**
Total assets			342 960	**(1of)**
Equity and liabilities				
Equity				
Opening equity		250 000		
Profit for the year		109 960		**(2/1of)**
Drawings		(50 000)		
Total/closing equity			309 960	**(1of)**
Current liabilities				
Trade payables		9 800		
Other payables		21 000		**(1)**
Bank overdraft		2 200		**(1)**
			33 000	
Total equity and liabilities			342 960	**(1of)**

(12)

Question	Answer	Mark

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Number		
2(c)	**Award up to 2 marks for reference to each concept – (maximum 2 concepts). Award 1 mark for an overall conclusion.** **Sample answer** If Taylor changes his depreciation policy, he would not be complying with the **consistency concept (1)** which states that once a method has been selected this should be applied consistently year on year **(1).** As depreciation is an application of the **matching concept (1)** the method chosen should reflect the contribution the asset makes towards the revenue earned from that asset which may not be the case if he changes **(1)** As depreciation is an application of the **prudence concept (1)** the method chosen should reflect that profit should not be overstated which may not be the case if he changes **(1)** I would advise him not to change his depreciation policy **(1).** **Accept any other appropriate responses**	**(5)**

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS