



Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)

Paper 1R: Introduction to Bookkeeping and
Accounting

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Autumn 2020

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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.

Question Number	Answer	Mark
	Award 1 mark as indicated for each question.	
1	<p>The only correct answer is B - Discount received</p> <p>A is not correct because Discount allowed always has a debit balance</p> <p>C is not correct because Purchases always has a debit balance</p> <p>D is not correct because Sales returns always has a debit balance</p>	(1)
2	<p>The only correct answer is D - Money measurement</p> <p>A is not correct because Business entity does not apply</p> <p>B is not correct because Consistency does not apply</p> <p>C is not correct because Materiality does not apply</p>	(1)
3	<p>The only correct answer is B - Consistency</p> <p>A is not correct because Accruals does not apply</p> <p>C is not correct because Materiality does not apply</p> <p>D is not correct because Prudence does not apply</p>	(1)
4	<p>The only correct answer is C - Capital - liabilities = assets</p> <p>A is not correct because the statement of financial position would still balance</p> <p>B is not correct because the statement of financial position would still balance</p> <p>D is not correct because the statement of financial position would still balance</p>	(1)
5	<p>The only correct answer is B - Journal</p> <p>A is not correct because all error corrections are always made in the journal</p> <p>C is not correct because all error corrections are always made in the journal</p> <p>D is not correct because all error corrections are always made in the journal</p>	(1)

<p>6</p>	<p>The only correct answer is D - Statement</p> <p>A is not correct because a credit note notifies details of returned goods</p> <p>B is not correct because a debit note is a request for a credit note</p> <p>C is not correct because an invoice gives details of goods purchased</p>	<p>(1)</p>
<p>7</p>	<p>The only correct answer is C Interest charged by supplier</p> <p>A is not correct because discounts received would be entered on the debit side</p> <p>B is not correct because a contra would be entered on the debit side</p> <p>D is not correct because purchase returns would be entered on the debit side</p>	<p>(1)</p>
<p>8</p>	<p>The only correct answer is C - Current assets - Other receivables</p> <p>A is not correct because payments in advance are not payables</p> <p>B is not correct because payments in advance are not payables</p> <p>D is not correct because Payments in advance are not liabilities</p>	<p>(1)</p>
<p>9</p>	<p>The only correct answer is B - Receipt of a cheque from Jones, \$56, entered in the account of James as \$65</p> <p>A is not correct because an error of omission is not disclosed</p> <p>C is not correct because due to the same amount on both sides, the trial balance would still balance</p> <p>D is not correct because a compensating error would not be disclosed</p>	<p>(1)</p>

10	<p>The only correct answer is A</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Debit</td> <td></td> <td style="text-align: center;">Credit</td> </tr> <tr> <td style="text-align: right;">Discount allowed</td> <td style="text-align: center;">\$30</td> <td style="text-align: center;">Suspense</td> <td style="text-align: center;">\$60</td> </tr> <tr> <td style="text-align: right;">Discount received</td> <td style="text-align: center;">\$30</td> <td></td> <td></td> </tr> </table> <p>B is not correct because no adjustment has been made to discount allowed</p> <p>C is not correct because discount allowed must be debited</p> <p>D is not correct because discount allowed and discount received must be debited</p>		Debit		Credit	Discount allowed	\$30	Suspense	\$60	Discount received	\$30			(1)
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11	<p style="text-align: center;">Award marks as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="4" style="text-align: center;">Credit Note</td> </tr> <tr> <td colspan="4" style="text-align: center;">DP Traders</td> </tr> <tr> <td colspan="4" style="text-align: center;">42 Bell Road</td> </tr> <tr> <td colspan="4" style="text-align: center;">Cardiff</td> </tr> <tr> <td colspan="4" style="text-align: center;">CF45 2BB</td> </tr> <tr> <td colspan="2" style="text-align: center;">McBain Harrow House London E14 1AA</td> <td colspan="2" style="text-align: center;">No. 6214</td> </tr> <tr> <td colspan="2"></td> <td colspan="2" style="text-align: center;">Date 3 April 2020</td> </tr> <tr> <th style="text-align: center;">Description</th> <th style="text-align: center;">Quantity</th> <th style="text-align: center;">Unit cost \$</th> <th style="text-align: center;">Total cost \$</th> </tr> <tr> <td style="text-align: center;">Games</td> <td style="text-align: center;">16</td> <td style="text-align: center;">8.50</td> <td style="text-align: right;">136.00 (1)</td> </tr> <tr> <td style="text-align: center;">Batteries</td> <td style="text-align: center;">112</td> <td style="text-align: center;">0.75</td> <td style="text-align: right;">84.00 (1)</td> </tr> <tr> <td colspan="3" style="text-align: right;">Subtotal</td> <td style="text-align: right;">220.00 (1)</td> </tr> <tr> <td colspan="3" style="text-align: right;">Trade discount 20%</td> <td style="text-align: right;">44.00 (1)</td> </tr> <tr> <td colspan="3" style="text-align: right;">Total</td> <td style="text-align: right;">176.00 (1)</td> </tr> </table>	Credit Note				DP Traders				42 Bell Road				Cardiff				CF45 2BB				McBain Harrow House London E14 1AA		No. 6214				Date 3 April 2020		Description	Quantity	Unit cost \$	Total cost \$	Games	16	8.50	136.00 (1)	Batteries	112	0.75	84.00 (1)	Subtotal			220.00 (1)	Trade discount 20%			44.00 (1)	Total			176.00 (1)	(5)
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13 (a)	<p>Award 1 mark for each correct entry. Award 1 mark for correct narrative.</p> <p style="text-align: center;">Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>Debit \$</th> <th>Credit \$</th> </tr> </thead> <tbody> <tr> <td>30 April 2020</td> <td>Irrecoverable debts</td> <td style="text-align: center;">1 600 (1)</td> <td></td> </tr> <tr> <td></td> <td>Trade receivables ledger control account</td> <td></td> <td style="text-align: center;">1 600 (1)</td> </tr> <tr> <td></td> <td colspan="3">Being the write-off of an irrecoverable debt (1)</td> </tr> </tbody> </table>	Date	Details	Debit \$	Credit \$	30 April 2020	Irrecoverable debts	1 600 (1)			Trade receivables ledger control account		1 600 (1)		Being the write-off of an irrecoverable debt (1)			(3)
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Question Number	Answer	Mark
13 (b)	<p>Award marks as indicated</p> <p>\$56 600 (1) x 5% = \$2 830 (1of)</p>	(2)

Question Number	Answer	Mark												
14 (a)	<p>Award marks as indicated.</p> <table border="1"> <thead> <tr> <th>Transaction</th> <th>Source document</th> <th>Book of original entry</th> </tr> </thead> <tbody> <tr> <td>Sold goods</td> <td>Sales invoice (1)</td> <td>Sales day book (1)</td> </tr> <tr> <td>Received payment from customer</td> <td>Remittance advice (1)</td> <td>Cash book (1)</td> </tr> <tr> <td>Purchased a non-current asset on credit</td> <td>Purchase invoice (1)</td> <td>Journal (1)</td> </tr> </tbody> </table>	Transaction	Source document	Book of original entry	Sold goods	Sales invoice (1)	Sales day book (1)	Received payment from customer	Remittance advice (1)	Cash book (1)	Purchased a non-current asset on credit	Purchase invoice (1)	Journal (1)	(6)
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14 (b) (i)	<p>Award marks for each correct date, details and amounts in combination.</p> <p style="text-align: center;">Jay Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2020 Mar 8</td> <td>Purchases returns day book</td> <td>38 (1)</td> <td>2020 Mar 1</td> <td>Balance b/d</td> <td>1 250 (1)</td> </tr> <tr> <td>23</td> <td>Cash book</td> <td>1 225 (1of)</td> <td>3</td> <td>Purchases day book</td> <td>615 (1)</td> </tr> <tr> <td>23</td> <td>Cash book / discount received</td> <td>25 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>31</td> <td>Balance c/d</td> <td>577</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>1 865</td> <td></td> <td></td> <td>1 865</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Apr 1</td> <td>Balance b/d</td> <td>577 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2020 Mar 8	Purchases returns day book	38 (1)	2020 Mar 1	Balance b/d	1 250 (1)	23	Cash book	1 225 (1of)	3	Purchases day book	615 (1)	23	Cash book / discount received	25 (1)				31	Balance c/d	577						1 865			1 865				Apr 1	Balance b/d	577 (1of)	(6)
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14 (b) (ii)	<p>Award 1 mark as indicated.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>Nominal ledger</td> <td></td> </tr> <tr> <td>Receivables ledger</td> <td></td> </tr> <tr> <td>Payables ledger</td> <td style="text-align: center;">✓ (1)</td> </tr> </tbody> </table>	Nominal ledger		Receivables ledger		Payables ledger	✓ (1)	(1)
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Question Number	Answer	Mark
14 (c) (i)	<p>Award 1 mark as indicated.</p> <p>Loyalty/bulk purchases/businesses in the same trade (1).</p>	(1)

Question Number	Answer	Mark
14 (c) (ii)	<p>Award 1 mark as indicated.</p> <p>Prompt payment (1).</p>	(1)

Question Number	Answer	Mark									
15 (a)	Award marks for each correct date, details and amounts in combination.										
	Cash Book										
	Date 2020		Details	Discount allowed \$	Cash \$	Bank \$	Date 2020	Details	Discount received \$	Cash \$	Bank \$
	Apr 1		Balance b/d		85 (1)		Apr 1	Balance b/d			540 (1)
	8		Cash sales		855 (1)		4	Folite	12 (1)		388 (1)
	14		Bank			900 (1)	14	Cash		900 (1)	
	24		Kai	15 (1)		735 (1)	16	Stationery		26 (1)	
	30		Balance c/d			311	29	Wages			418 (1)
							30	Electricity			600 (1)
								Balance c/d		14	
				15	940	1 946			12	940	1 946
	May 1		Balance b/d		14 (1of)		May 1	Balance b/d			311 (1of)

(14)

Question number	Answer	Mark
15 (b)	Award 1 mark as indicated Liability (1of)	(1)

Question Number	Answer	Mark																																																						
16 (a)	<p>Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Trade Receivables Ledger Control Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019 Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">92 130 (1)</td> <td>2020 Mar 31</td> <td>Cash book / Discount allowed</td> <td style="text-align: right;">4 880 (1)</td> </tr> <tr> <td>2020 Mar 31</td> <td>Sales day book</td> <td style="text-align: right;">564 270 (1)</td> <td></td> <td>Journal / Irrecoverable debts</td> <td style="text-align: right;">2 600 (1)</td> </tr> <tr> <td></td> <td>Cash book</td> <td style="text-align: right;">1 560 (1)</td> <td></td> <td>Journal /Set-off</td> <td style="text-align: right;">1 290 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Cash book</td> <td style="text-align: right;">542 730 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Sales returns day book</td> <td style="text-align: right;">3 450 (1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td style="text-align: right;">103 010</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">657 960</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">657 960</td> </tr> <tr> <td>Apr 1</td> <td>Balance b/d</td> <td style="text-align: right;">103 010 (1of)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2019 Apr 1	Balance b/d	92 130 (1)	2020 Mar 31	Cash book / Discount allowed	4 880 (1)	2020 Mar 31	Sales day book	564 270 (1)		Journal / Irrecoverable debts	2 600 (1)		Cash book	1 560 (1)		Journal /Set-off	1 290 (1)					Cash book	542 730 (1)					Sales returns day book	3 450 (1)					Balance c/d	103 010			657 960			657 960	Apr 1	Balance b/d	103 010 (1of)				(10)
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16 (b)	<p>Award up to 2 marks for each benefit and 1 mark for a conclusion.</p> <p>For example</p> <p>It saves time in the preparation of financial statements (1) because it provides a total trade receivables figure (1).</p> <p>Provides an internal check to detect / prevent fraud (1) as the control account is maintained by a different person (1).</p> <p>Overall, it is beneficial for a business to maintain a trade receivables ledger control account (1).</p> <p>Accept any other appropriate responses.</p>	(5)

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17 (a)	<p data-bbox="256 226 927 259">Award 1 mark for each correct pair of figures.</p> <table border="1" data-bbox="256 309 1225 1469"> <thead> <tr> <th data-bbox="256 309 908 432" rowspan="2">Account</th> <th colspan="2" data-bbox="908 309 1225 349">Trial balance</th> </tr> <tr> <th data-bbox="908 349 1077 432">Debit \$</th> <th data-bbox="1077 349 1225 432">Credit \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 432 908 490">Bank loan</td> <td data-bbox="908 432 1077 490"></td> <td data-bbox="1077 432 1225 490">2 000</td> </tr> <tr> <td data-bbox="256 490 908 548">Bank overdraft</td> <td data-bbox="908 490 1077 548"></td> <td data-bbox="1077 490 1225 548">160</td> </tr> <tr> <td data-bbox="256 548 908 607">Carriage outwards</td> <td data-bbox="908 548 1077 607">650</td> <td data-bbox="1077 548 1225 607"></td> </tr> <tr> <td data-bbox="256 607 908 665">Discount received</td> <td data-bbox="908 607 1077 665"></td> <td data-bbox="1077 607 1225 665">190</td> </tr> <tr> <td data-bbox="256 665 908 723">Drawings</td> <td data-bbox="908 665 1077 723">5 130</td> <td data-bbox="1077 665 1225 723"></td> </tr> <tr> <td data-bbox="256 723 908 781">Equity</td> <td data-bbox="908 723 1077 781"></td> <td data-bbox="1077 723 1225 781">19 500</td> </tr> <tr> <td data-bbox="256 781 908 916"> Fixtures and fittings - cost - provision for depreciation </td> <td data-bbox="908 781 1077 916">24 400</td> <td data-bbox="1077 781 1225 916">6 350</td> </tr> <tr> <td data-bbox="256 916 908 974">General expenses</td> <td data-bbox="908 916 1077 974">16 870</td> <td data-bbox="1077 916 1225 974"></td> </tr> <tr> <td data-bbox="256 974 908 1032">Inventory at 1 April 2019</td> <td data-bbox="908 974 1077 1032">18 750</td> <td data-bbox="1077 974 1225 1032"></td> </tr> <tr> <td data-bbox="256 1032 908 1090">Provision for irrecoverable debts</td> <td data-bbox="908 1032 1077 1090"></td> <td data-bbox="1077 1032 1225 1090">300</td> </tr> <tr> <td data-bbox="256 1090 908 1149">Purchases</td> <td data-bbox="908 1090 1077 1149">42 630</td> <td data-bbox="1077 1090 1225 1149"></td> </tr> <tr> <td data-bbox="256 1149 908 1207">Returns inwards</td> <td data-bbox="908 1149 1077 1207">2 580</td> <td data-bbox="1077 1149 1225 1207"></td> </tr> <tr> <td data-bbox="256 1207 908 1265">Revenue</td> <td data-bbox="908 1207 1077 1265"></td> <td data-bbox="1077 1207 1225 1265">88 320</td> </tr> <tr> <td data-bbox="256 1265 908 1323">Trade payables ledger control account</td> <td data-bbox="908 1265 1077 1323"></td> <td data-bbox="1077 1265 1225 1323">5 230</td> </tr> <tr> <td data-bbox="256 1323 908 1382">Trade receivables ledger control account</td> <td data-bbox="908 1323 1077 1382">11 040</td> <td data-bbox="1077 1323 1225 1382"></td> </tr> <tr> <td data-bbox="256 1382 908 1469">Totals</td> <td data-bbox="908 1382 1077 1469">122 050</td> <td data-bbox="1077 1382 1225 1469">122 050</td> </tr> </tbody> </table>	Account	Trial balance		Debit \$	Credit \$	Bank loan		2 000	Bank overdraft		160	Carriage outwards	650		Discount received		190	Drawings	5 130		Equity		19 500	Fixtures and fittings - cost - provision for depreciation	24 400	6 350	General expenses	16 870		Inventory at 1 April 2019	18 750		Provision for irrecoverable debts		300	Purchases	42 630		Returns inwards	2 580		Revenue		88 320	Trade payables ledger control account		5 230	Trade receivables ledger control account	11 040		Totals	122 050	122 050	(8)
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Trade receivables ledger control account	11 040																																																						
Totals	122 050	122 050																																																					

Question Number	Answer	Mark			
17 (b)	<p>Award marks as indicated</p> <table border="1"> <tr> <td>Type of error</td> </tr> <tr> <td>Principle (1)</td> </tr> <tr> <td>Commission (1)</td> </tr> </table>	Type of error	Principle (1)	Commission (1)	(2)
Type of error					
Principle (1)					
Commission (1)					

Question Number	Answer	Mark
17 (c)	<p>Award 1 mark as indicated.</p> <p>Speed / accuracy (1)</p> <p>Accept any other appropriate responses.</p>	(1)

Question Number	Answer	Mark
17 (d)	<p>Award marks as indicated.</p> <p>Passwords (1)</p> <p>Firewalls (1)</p>	(2)

Question Number	Answer	Mark
17 (e)	<p>Award marks as indicated.</p> <p>A public sector organisation aims to provide a service to the public (1) whereas a private sector organisation aims to make profit (1).</p> <p>Accept any other appropriate responses.</p>	(2)

Question Number	Answer	Mark
18 (a)	Award 1 mark as indicated. \$1 680 (1)	(1)

Question Number	Answer	Mark																														
18 (b)	<p>Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.</p> <p style="text-align: center;">Provision for Depreciation – Machinery Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2019 June 30</td> <td>Asset disposal</td> <td>1 680 (1of)</td> <td>2019 Jan 1</td> <td>Balance b/d</td> <td>9 000 (1)</td> </tr> <tr> <td>Dec 31</td> <td>Balance c/d</td> <td>10 080</td> <td>Dec 31</td> <td>Income statement</td> <td>2 760 (1)</td> </tr> <tr> <td></td> <td></td> <td>11 760</td> <td></td> <td></td> <td>11 760</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2020 Jan 1</td> <td>Balance b/d</td> <td>10 080 (1of)</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2019 June 30	Asset disposal	1 680 (1of)	2019 Jan 1	Balance b/d	9 000 (1)	Dec 31	Balance c/d	10 080	Dec 31	Income statement	2 760 (1)			11 760			11 760				2020 Jan 1	Balance b/d	10 080 (1of)	(5)
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Question Number	Answer	Mark																														
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18 (d)	<p>Award 2 marks for comments related to the effect on income statement and 2 marks for the effect on the statement of financial position. Award 1 mark for conclusion.</p> <p>For example</p> <p>Changing the depreciation method to reducing balance will reduce the charge for depreciation (1) which will result in a higher profit for the year (1). The change will result in the carrying value of machinery being higher (1) and therefore the net asset value also being higher (1). Overall, the change will be beneficial but must adhere to the consistency concept (1).</p> <p>Accept any other appropriate responses.</p>	(5)

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