



Pearson
Edexcel

Mark Scheme Results

November 2021

Pearson Edexcel International GCSE in
Accounting 4AC1

Paper 02:
Financial Statements

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November 2021

Question Paper Log Number P66470

Publications Code 4AC1_02_2111_MS

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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.

Section A

Question number	Answer	Mark																																																																				
1(a)	<p>Award marks as indicated.</p> <table border="1" data-bbox="347 409 1393 1025"> <thead> <tr> <th colspan="4" data-bbox="347 409 1393 477" style="text-align: center;">Thomas Income statement for the year ended 31 March 2021</th> </tr> <tr> <th data-bbox="347 477 898 510"></th> <th data-bbox="898 477 1086 510" style="text-align: center;">\$</th> <th data-bbox="1086 477 1257 510" style="text-align: center;">\$</th> <th data-bbox="1257 477 1393 510"></th> </tr> </thead> <tbody> <tr> <td data-bbox="347 510 898 544">Revenue</td> <td data-bbox="898 510 1086 544"></td> <td data-bbox="1086 510 1257 544" style="text-align: right;">425 000</td> <td data-bbox="1257 510 1393 544" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 544 898 577">Cost of sales</td> <td data-bbox="898 544 1086 577"></td> <td data-bbox="1086 544 1257 577"></td> <td data-bbox="1257 544 1393 577"></td> </tr> <tr> <td data-bbox="347 577 898 611">Opening inventory - finished goods</td> <td data-bbox="898 577 1086 611" style="text-align: right;">27 500</td> <td data-bbox="1086 577 1257 611"></td> <td data-bbox="1257 577 1393 611"></td> </tr> <tr> <td data-bbox="347 611 898 645">Production cost</td> <td data-bbox="898 611 1086 645" style="text-align: right;">300 000</td> <td data-bbox="1086 611 1257 645"></td> <td data-bbox="1257 611 1393 645" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 645 898 678">Closing inventory - finished goods</td> <td data-bbox="898 645 1086 678" style="text-align: right;">(30 000)</td> <td data-bbox="1086 645 1257 678"></td> <td data-bbox="1257 645 1393 678" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 678 898 712"></td> <td data-bbox="898 678 1086 712"></td> <td data-bbox="1086 678 1257 712" style="text-align: right;">(297 500)</td> <td data-bbox="1257 678 1393 712" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 712 898 745">Gross profit</td> <td data-bbox="898 712 1086 745"></td> <td data-bbox="1086 712 1257 745" style="text-align: right;">127 500</td> <td data-bbox="1257 712 1393 745" style="text-align: right;">(1of)</td> </tr> <tr> <td data-bbox="347 745 898 779">Expenses</td> <td data-bbox="898 745 1086 779"></td> <td data-bbox="1086 745 1257 779"></td> <td data-bbox="1257 745 1393 779"></td> </tr> <tr> <td data-bbox="347 779 898 813">Administrative expenses</td> <td data-bbox="898 779 1086 813" style="text-align: right;">40 000</td> <td data-bbox="1086 779 1257 813"></td> <td data-bbox="1257 779 1393 813" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 813 898 846">Carriage outwards</td> <td data-bbox="898 813 1086 846" style="text-align: right;">2 745</td> <td data-bbox="1086 813 1257 846"></td> <td data-bbox="1257 813 1393 846" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 846 898 880">Depreciation charge-office equipment</td> <td data-bbox="898 846 1086 880" style="text-align: right;">3 200</td> <td data-bbox="1086 846 1257 880"></td> <td data-bbox="1257 846 1393 880" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 880 898 913">Provision for irrecoverable debts</td> <td data-bbox="898 880 1086 913" style="text-align: right;">500</td> <td data-bbox="1086 880 1257 913"></td> <td data-bbox="1257 880 1393 913" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 913 898 947">Office rent</td> <td data-bbox="898 913 1086 947" style="text-align: right;">27 000</td> <td data-bbox="1086 913 1257 947"></td> <td data-bbox="1257 913 1393 947" style="text-align: right;">(1)</td> </tr> <tr> <td data-bbox="347 947 898 981"></td> <td data-bbox="898 947 1086 981"></td> <td data-bbox="1086 947 1257 981" style="text-align: right;">(73 445)</td> <td data-bbox="1257 947 1393 981"></td> </tr> <tr> <td data-bbox="347 981 898 1014">Profit for the year</td> <td data-bbox="898 981 1086 1014"></td> <td data-bbox="1086 981 1257 1014" style="text-align: right;">54 055</td> <td data-bbox="1257 981 1393 1014" style="text-align: right;">(1of)</td> </tr> </tbody> </table>	Thomas Income statement for the year ended 31 March 2021					\$	\$		Revenue		425 000	(1)	Cost of sales				Opening inventory - finished goods	27 500			Production cost	300 000		(1)	Closing inventory - finished goods	(30 000)		(1)			(297 500)	(1)	Gross profit		127 500	(1of)	Expenses				Administrative expenses	40 000		(1)	Carriage outwards	2 745		(1)	Depreciation charge-office equipment	3 200		(1)	Provision for irrecoverable debts	500		(1)	Office rent	27 000		(1)			(73 445)		Profit for the year		54 055	(1of)	(11)
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Question number	Answer	Mark
1(c)	<p>Award up to 2 marks for the evaluation of each ratio. Award 1 mark for overall conclusion.</p> <p>Sample answer</p> <p>The current ratio has improved above the benchmark of 2:1 (1) indicating that he can meet his short term debts as they fall due (1)</p> <p>The liquid (acid test) ratio has also improved above the benchmark of 1:1 (1) indicating that he can meet his short term debts as they fall due without the need to sell his inventory (1)</p> <p>Yes, Thomas's statement is correct (1)</p> <p>Accept any other appropriate responses</p>	(5)

(Total for Question 1 = 25 marks)

Question number	Answer	Mark
2(a)	<p>Award mark as indicated.</p> <p>Advantages Max (1) Additional capital (1) More expertise (1) Shared work load (1)</p> <p>Disadvantages Max (1) Shared profits (1) Disputes (1) Lack of control (1)</p> <p>Accept any other appropriate responses</p>	(2)

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2(b)	<p>Award marks as indicated.</p> <p style="text-align: center;">Able and Beena Appropriation account for the year ended 30 April 2021</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">26 550 (1)</td> </tr> <tr> <td>Add interest on drawings</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Able</td> <td style="text-align: right;">1 600 (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Beena</td> <td style="text-align: right;">1 050 (1)</td> <td style="text-align: right;">2 650</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">29 200</td> </tr> <tr> <td>Less interest on capital</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Able</td> <td style="text-align: right;">(6 000) (1)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Beena</td> <td style="text-align: right;">(2 000) (1)</td> <td style="text-align: right;">(8000)</td> </tr> <tr> <td>Less Salary- Beena</td> <td></td> <td style="text-align: right;">(7 200) (1)</td> </tr> <tr> <td>Profit available for distribution</td> <td></td> <td style="text-align: right;">14 000</td> </tr> <tr> <td>Profit share</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Able</td> <td></td> <td style="text-align: right;">10 500 (1of)</td> </tr> <tr> <td style="padding-left: 20px;">Beena</td> <td></td> <td style="text-align: right;">3 500 (1of)</td> </tr> </tbody> </table>		\$	\$	Profit for the year		26 550 (1)	Add interest on drawings			Able	1 600 (1)		Beena	1 050 (1)	2 650			29 200	Less interest on capital			Able	(6 000) (1)		Beena	(2 000) (1)	(8000)	Less Salary- Beena		(7 200) (1)	Profit available for distribution		14 000	Profit share			Able		10 500 (1of)	Beena		3 500 (1of)	(8)
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2(c)	<p>Award marks for each correct date detail and amount in combination</p> <p style="text-align: center;">Current Account - Beena</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>Amount \$</th> <th>Date</th> <th>Details</th> <th>Amount \$</th> </tr> </thead> <tbody> <tr> <td>1 May 2020</td> <td>Balance b/d</td> <td style="text-align: right;">2 750</td> <td>30 April 2021</td> <td>Appropriation/ interest on capital</td> <td style="text-align: right;">2 000 (1of)</td> </tr> <tr> <td>30 April 2021</td> <td>Drawings</td> <td style="text-align: right;">10 500 (1)</td> <td></td> <td>Appropriation/ salary</td> <td style="text-align: right;">7 200 (1)</td> </tr> <tr> <td></td> <td>Appropriation/ interest on drawings</td> <td style="text-align: right;">1 050 (1of)</td> <td></td> <td>Appropriation/ Profit share</td> <td style="text-align: right;">3 500 (1of)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td style="text-align: right;">1 600</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">14 300</td> <td></td> <td></td> <td style="text-align: right;">14 300</td> </tr> <tr> <td>1 May 2021</td> <td>Balance b/d</td> <td style="text-align: right;">1 600 (1of)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Details	Amount \$	Date	Details	Amount \$	1 May 2020	Balance b/d	2 750	30 April 2021	Appropriation/ interest on capital	2 000 (1of)	30 April 2021	Drawings	10 500 (1)		Appropriation/ salary	7 200 (1)		Appropriation/ interest on drawings	1 050 (1of)		Appropriation/ Profit share	3 500 (1of)					Balance c/d	1 600			14 300			14 300	1 May 2021	Balance b/d	1 600 (1of)				(6)
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2(d)	<p>Award mark as indicated</p> <p>Partner may have taken more money than allowed.</p> <p>Accept any other appropriate responses</p>	(1)

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2(e)	<p>Award marks as indicated</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Transaction</th> <th>Increase</th> <th>Decrease</th> <th>No effect</th> </tr> </thead> <tbody> <tr> <td>A partner withdraws goods for their own use.</td> <td style="text-align: center;">✓ (1)</td> <td></td> <td></td> </tr> <tr> <td>A partner purchases stationery for the business from their own monies.</td> <td></td> <td style="text-align: center;">✓ (1)</td> <td></td> </tr> <tr> <td>A partner introduces capital into the business</td> <td></td> <td></td> <td style="text-align: center;">✓ (1)</td> </tr> </tbody> </table>	Transaction	Increase	Decrease	No effect	A partner withdraws goods for their own use.	✓ (1)			A partner purchases stationery for the business from their own monies.		✓ (1)		A partner introduces capital into the business			✓ (1)	(3)
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2(f) (i)	<p>Award 1 mark for each valid point up to a max of 3 marks.</p> <p>Sample answer</p> <p>Interest on drawings will discourage excessive drawings (1) which will improve cash flow (1) and improve the liquidity of the business (1)</p> <p>Accept any other appropriate responses</p>	(3)

Question number	Answer	Mark
2(f) (ii)	<p>Award 1 mark for each valid point up to a max of 2 marks.</p> <p>Sample answer</p> <p>Interest on capital acts as a form of compensation to the partner who has invested more (1) and therefore encourages partners to invest in the business (1)</p> <p>Accept any other appropriate responses</p>	(2)

(Total for Question 2 = 25 marks)

TOTAL FOR PAPER = 50 MARKS