



# Mark Scheme (Results)

Summer 2022

Pearson Edexcel International GCSE  
In Accounting (4AC1)  
Paper 02R Financial statements

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Summer 2022

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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.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question number	Answer	Mark																																																																																
1(a)(i)	<p data-bbox="264 297 655 327"><b>Award marks as indicated.</b></p> <p data-bbox="794 333 863 362" style="text-align: center;"><b>Dina</b></p> <p data-bbox="408 371 1254 405" style="text-align: center;"><b>Manufacturing account for the year ended 31 March 2022</b></p> <table border="1" data-bbox="264 409 1394 1641"> <thead> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th></th> </tr> </thead> <tbody> <tr> <td>Opening inventory - raw materials</td> <td></td> <td style="text-align: right;">9 640</td> <td></td> </tr> <tr> <td>Purchases</td> <td></td> <td style="text-align: right;">98 400</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Closing inventory - raw materials</td> <td></td> <td style="text-align: right;">(10 400)</td> <td style="text-align: right;"><b>(1fb)</b></td> </tr> <tr> <td><b>Cost of raw materials consumed</b></td> <td></td> <td style="text-align: right;"><b>97 640</b></td> <td style="text-align: right;"><b>(1of)</b></td> </tr> <tr> <td>Direct wages</td> <td></td> <td style="text-align: right;">38 400</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Royalties</td> <td></td> <td style="text-align: right;">1 780</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td><b>Prime cost</b></td> <td></td> <td style="text-align: right;"><b>137 820</b></td> <td style="text-align: right;"><b>(1of)</b></td> </tr> <tr> <td>Factory overheads</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Depreciation charge - plant and machinery</td> <td style="text-align: right;">17 200</td> <td></td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Indirect wages</td> <td style="text-align: right;">27 000</td> <td></td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">3 200</td> <td></td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Electricity</td> <td style="text-align: right;">7 800</td> <td></td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td>Factory rent</td> <td style="text-align: right;">12 000</td> <td></td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">67 200</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><b>205 020</b></td> <td></td> </tr> <tr> <td>Opening inventory - work in progress</td> <td style="text-align: right;">4 200</td> <td></td> <td></td> </tr> <tr> <td>Closing inventory - work in progress</td> <td style="text-align: right;">(4 430)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(230)</td> <td style="text-align: right;"><b>(1)</b></td> </tr> <tr> <td><b>Production cost</b></td> <td></td> <td style="text-align: right;"><b>204 790</b></td> <td style="text-align: right;"><b>(1of)</b></td> </tr> </tbody> </table>		\$	\$		Opening inventory - raw materials		9 640		Purchases		98 400	<b>(1)</b>	Closing inventory - raw materials		(10 400)	<b>(1fb)</b>	<b>Cost of raw materials consumed</b>		<b>97 640</b>	<b>(1of)</b>	Direct wages		38 400	<b>(1)</b>	Royalties		1 780	<b>(1)</b>	<b>Prime cost</b>		<b>137 820</b>	<b>(1of)</b>	Factory overheads				Depreciation charge - plant and machinery	17 200		<b>(1)</b>	Indirect wages	27 000		<b>(1)</b>	Insurance	3 200		<b>(1)</b>	Electricity	7 800		<b>(1)</b>	Factory rent	12 000		<b>(1)</b>			67 200				<b>205 020</b>		Opening inventory - work in progress	4 200			Closing inventory - work in progress	(4 430)					(230)	<b>(1)</b>	<b>Production cost</b>		<b>204 790</b>	<b>(1of)</b>	<b>(13)</b>
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1(b)(ii)	<p><b>Award 1 mark for analysis of each ratio, 2 marks for development of the ratios and 1 mark for overall conclusion.</b></p> <p><b>Sample answer</b></p> <p>The decrease in gross profit percentage may be due to a lower selling price and/or a higher cost of sales <b>(1)</b>.</p> <p>Despite the fall in the gross profit percentage, the profit for the year as a percentage of revenue and the return on capital employed both improved <b>(1)</b> indicating better control over expenses <b>(1)</b> and more efficient use of resources <b>(1)</b>.</p> <p>So, Dina's statement is incorrect <b>(1)</b>.</p> <p><b>Accept any other appropriate responses.</b></p>	(5)

(Total for Question 1 = 25 marks)

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2(a)	<p><b>Award marks as indicated.</b></p> <p style="text-align: center;"><b>Ali</b></p> <p style="text-align: center;"><b>Income statement for the year ended 30 April 2022</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">\$</th> <th style="width: 20%; text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td></td> <td style="text-align: right;">72 160 <b>(1)</b></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">15 710 <b>(1)</b></td> <td></td> </tr> <tr> <td>Fuel <span style="float: right;"><b>W1</b></span></td> <td style="text-align: right;">8 310 <b>(2)</b></td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">550 <b>(1)</b></td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">6 000 <b>(1)</b></td> <td></td> </tr> <tr> <td>Office rent and rates <span style="float: right;"><b>W2</b></span></td> <td style="text-align: right;">7 200 <b>(2)</b></td> <td></td> </tr> <tr> <td>Irrecoverable debts</td> <td style="text-align: right;">70 <b>(1)</b></td> <td></td> </tr> <tr> <td>Provision for irrecoverable debts</td> <td style="text-align: right;">20 <b>(1)</b></td> <td></td> </tr> <tr> <td>Bank interest</td> <td style="text-align: right;">40 <b>(1)</b></td> <td style="text-align: right;">37 900</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">34 260 <b>(1of)</b></td> </tr> </tbody> </table> <p><b>W1 \$8 310 (2)</b></p> <p><math>\\$8\,140 + (\\$480 - \\$310) \text{ (1)} = \\$8\,310 \text{ (1of)}</math></p> <p><b>W2 \$7 200 (2)</b></p> <p><math>\\$7\,800 + (\\$600 - \\$1\,200) \text{ (1)} = \\$7\,200 \text{ (1of)}</math></p>		\$	\$	Income		72 160 <b>(1)</b>	Wages	15 710 <b>(1)</b>		Fuel <span style="float: right;"><b>W1</b></span>	8 310 <b>(2)</b>		Insurance	550 <b>(1)</b>		Depreciation	6 000 <b>(1)</b>		Office rent and rates <span style="float: right;"><b>W2</b></span>	7 200 <b>(2)</b>		Irrecoverable debts	70 <b>(1)</b>		Provision for irrecoverable debts	20 <b>(1)</b>		Bank interest	40 <b>(1)</b>	37 900	Profit for the year		34 260 <b>(1of)</b>	<b>(12)</b>
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2(c)(i)	<p><b>Award 1 mark for explaining the concept plus marks as indicated for development.</b></p> <p><b>Sample answer</b></p> <p>Prudence concept states that profits and assets should not be overstated and losses and liabilities should not be understated<b>(1)</b>.</p> <p>Writing off an irrecoverable debt ensures that the net profit/profit for the year is not overstated <b>(1)</b> and trade receivables are not overstated <b>(1)</b>.</p> <p><b>Accept any other appropriate responses.</b></p>	<b>(3)</b>

Question number	Answer	Mark
2(c)(ii)	<p><b>Award 1 mark for explaining the concept plus 1 mark as indicated for development.</b></p> <p><b>Sample answer</b></p> <p>Accruals concept states that revenue of the accounting period should be matched against the costs of the same period whether paid or not <b>(1)</b>.</p> <p>Providing for depreciation ensures that the costs of the motor vehicle are matched with the income/benefits earned during the same period <b>(1)</b>.</p> <p><b>Accept any other appropriate responses.</b></p>	<b>(2)</b>

**(Total for Question 2 = 25 marks)**  
**TOTAL FOR PAPER = 50 MARKS**

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