



Mark Scheme (Results)

October 2024

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

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October 2024

Question Paper Log Number P78376A

Publications Code WAC11_2410_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.

1(a) AO1:(7) AO2(8):AO3(1)

AO1: Seven marks for recording given balances

AO2: Eight marks for calculating and correct use of balance

AO3: One marks for allowance for irrecoverable debts treatment

Towne Car Park
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 September 2024

	£	£
Revenue		250 000 (1) AO1
Less		
Other income		
Commission receivable (11 700+300)	12 000 (1) AO2	
Decrease in allowance for irrecoverable debts	400 (1) AO3	
		<u>12 400</u>
		262 400
Less expenses:		
Administrative wages	24 000 (1) AO1	
Bank loan interest (2 800 + 700)	3 500 (1) AO2	
Electricity (8 270 + 1050)	9 320 (1) AO2	
Equipment repairs	15 400 (1) AO1	
General expenses	8 900 (1) AO1	
Insurance	4 600 (1) AO1	
Management salaries	26 500 (1) AO1	
Depreciation - premises	15 000 (1) AO2	
- equipment	20 000 (1) AO2	
office fixtures	13 000 (1) AO2	
Provision for legal claim	4 000 (1) AO2	
Rates (14 800 – 800)	14 000 (1) AO2	
Security staff wages	<u>32 450</u> (1) AO1	
		(190 670)
		<u>71 730</u>
Profit for the year		

(16)

(b)AO1:(8):AO2(3):AO3(3)

AO1: Eight marks for transferring balances

AO2: Three marks for calculating and inserting entries for non-current assets

AO3: Three marks for two stage calculations and inserting entries

Statement of Financial Position at 30 September 2021

Assets			
Non-current assets			
	Cost	Accumulated depreciation	Carrying value
	£	£	£
Premises	600 000	(415 000)	185 000 (1of) AO2
Equipment	100 000	(85 000)	15 000 (1of) AO2
Office fixtures	<u>120 000</u>	<u>(68 000)</u>	<u>52 000 (1of) AO2</u>
	<u>820 000</u>	<u>(568 000)</u>	<u>252 000 (1) AO3</u>
Current Assets			
Trade receivables	38 100		
Less Allowance for irrecoverable debts	<u>(2 100)</u>		
		36 000 (1) AO3	
Other receivables:			
Commission 300 [1]		1 100 (2) AO1	
Rates 800 [1]			
Cash and bank		<u>7 980 (1) AO1</u>	
			45 080
			<u>297 080</u>
TOTAL ASSETS			<u>297 080</u>
Capital and Liabilities			
Capital		170 000	
Profit for the year		<u>71 730</u> of	
		241 730	
Drawings		<u>(30 000)</u>	
			211 730 (1of) AO3
Non-current Liabilities			
7% bank loan			50 000 (1) AO1
Current Liabilities			
Trade payables		29 600 (1) AO1	
Other payables:			
Interest 700[1] Elect 1 050[1]		5 750 (3) AO1	
Provision 4 000[1]			<u>35 350</u>
TOTAL CAPITAL AND LIABILITIES			<u>297 080</u>

(14)

(c) AO1:(3)

AO1: Three marks for stating the type of expenditure

- Purchase of electric chargers Capital expenditure (1) AO1
- Electricity for electric chargers Revenue expenditure (1) AO1
- Maintenance of electric chargers. Revenue expenditure (1) AO1

(3)

(d)(i) AO2(2):AO3(2)

AO2: Two marks for calculating annual opening hours and total revenue

AO3: Two marks for calculating total usage hours

Revenue from operating the five electric charging points

		£
Opening hours annually	$100 \times 50 = 5\,000$ [1] AO2	
Usage hours	$3 \times (5\,000 \times 80\%) = 12\,000$ [1] AO3	
	$2 \times (5\,000 \times 60\%) = 6\,000$ [1] AO3	
Revenue	$(12\,000 + 6\,000) \times £2.5$ [1] AO2	45 000 (4) AO2/AO3

(4)

(d)(ii) AO2(4):AO3(2)

AO2: Four marks for calculating and correct use of figures

AO3: Two marks for calculating total depreciation

Cost of operating five electric charging points

		£
Depreciation	$(5 \times £5\,000) [1] \times 20\% [1]$	5 000 (2) AO3
Installation	$5 \times £900 \times 20\%$	900 (1) AO2
Maintenance	$5 \times £1\,200$	6 000 (1) AO2
Electricity usage	$18\,000 \text{ hours} \times £1.50 [1]$	27 000 (1) AO2
		<u>38 900 (1of) AO2</u>

(6)

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

Points for installing electric car chargers

The car park does make a profit in the year on the use by customers of electric charging points.

It will be answering demand as electric cars become more common place.

It is positive for the environment helping to reduce pollution.

It extends the range of services offered by the car park.

Points against installing electric car chargers

The profit made in a year is very small.

The projections are estimates only.

It requires greater management and maintenance than just the provision of a car park space.

Risk of vandalism and theft of monies will increase.

Requires a considerable initial capital outlay.

The projections are only estimates and may be inaccurate.

Decision

Candidates may conclude that it is/is not recommended that electric car charging points be installed. Candidates' decision should be supported by an appropriate rationale.

ACCEPT ANY OTHER VALID POINTS financial or non-financial

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.

		<p>A coherent and logical chain of reasoning, showing causes and effects.</p> <p>Assessment is balanced, wide ranging and well contextualised using financial and non-financial information and makes informed recommendations and decisions.</p>
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(12)

Q1	Total marks	55
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2(a) AO1:(7) AO2(7)**AO1: Seven marks for identifying the correct account narrative****AO2: Seven marks for identifying the correct account narrative and value****General Journal**

	Dr	Cr
	£	£
(1)		
Purchases/ Income statement (1) AO1	1 150	
Raut		1 150 (1) AO2
(2)		
Inventory (1) AO1	900	
Depreciation/Income statement		900 (1) AO2
(3)		
Income statement (1) AO1	4 000	
Leasehold – Provision for depreciation		4 000 (1) AO2
(4)		
Computers and fixtures (1) AO1	2 000	
Computer maintenance/Income state't		2 000 (1) AO2
Depreciation/Income statement (1) AO1	500	
Computers and fixtures - Prov for dep		500 (1) AO2
(5)		
Cash (1) AO1	800	
J Johnson		800 (1) AO2
(6)		
Allowance for irrecoverable debts (1) AO1	600	
Income statement		600 (1) AO2

(14)

(b) AO1:(2) AO2(12)

AO1: Two marks for recording 'No effect' and revised profit

AO2: Twelve marks for calculating and correct figure and orientation

Corrected Profit for the year ended 30 September 2024

		£	£	£
Draft profit for the year				11 830
		Increase	Decrease	
(1)	Raut		1 150	
(2)	Inventory count	900		
(3)	Leasehold		4 000	
(4)	New computer	2 000		
	Depreciation		500	
(5)	J.Johnson	No	effect	
(6)	Allowance for irrecoverable debts	600		
		3 500	5 650	(2 150)
Revised profit for the year				9 680

1 mark for correct figure **(1)** AO2 1 mark for correct orientation **(1)** AO2 x 6

1 mark for no effect **(1)** AO1

1 mark for revised profit **(1of)** AO1

(14)

(c) AO1:(4) AO2(10):AO3(1)

AO1: Four marks for recording given balances

AO2: Ten marks for calculating and correct use of balance

AO3: One marks for calculating closing capital

Statement of Financial Position at 30 September 2024

Non-current assets	Cost	Accumulated depreciation	Carrying value
	£	£	£
Leasehold buildings	80 000	34 000 (1) AO2	46 000
Computers and fixtures	28 000 (1) AO2	10 300 (1) AO2	17 700
	<u>108 000</u>	<u>44 300</u>	63 700 (1) AO2
Current assets			
Inventory		12 000 (1) AO2	
Trade receivables	16 600(1) AO2		
Less Allowance for irrecoverable debts	<u>(2 000) (1) AO2</u>		
		14 600 (1) AO2	
Other receivables		870(1) AO1	
Cash and bank		<u>3 800(1) AO2</u>	
			<u>31 270</u>
Total Assets			<u>94 970</u>
Capital		85 000	
Profit for the year		<u>9 680</u> of	
		94 680	
Drawings		(12 000)	
			82 680 (1of) AO3
Current liabilities			
Trade payables		9 950 (1) AO2	
Other payables		2 340 (3) AO1	
350[1]+ 490[1] + 1500[1]			<u>12 290</u>

Total capital and liabilities			<u>94 970</u> (15)
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(d) AO1 (1), AO2 (1), AO3 (5), AO4 (5)

Points in favour of ICT reducing errors

Accuracy of calculation processing the data.

Double entry is automatically completed.

Security of data using ICT.

Can prepare income statements and reconciliation statements on a regular basis for inspection.

Security passwords will restrict access to data and ensure only authorised personnel can amend data.

Points against ICT reducing errors

Human error cannot be completely eliminated e.g input errors will still occur

Training required for staff and constant re-skilling of staff as new upgrades of software to ensure that software is used correctly.

Omissions and errors of original entry can still occur

Decision

Candidates may conclude that ICT will/will not reduce errors. Candidates' decision should be supported by an appropriate rationale.

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	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.
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Level 4	10 - 12	<p>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.</p> <p>Assessment is balanced, wide ranging and well contextualised using financial and non-financial information and makes informed recommendations and decisions.</p>
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(12)

Q2	Total marks	55
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3 (a) AO1:(4)

AO1: Four marks for explaining the terms

Allocated overheads

The allotment of **whole items/cost** (1) **AO2** to **cost centres/departments** or cost units. (1) **AO2**

Depreciation

Depreciation is an estimate of the **loss in value** of a non-current asset (1) **AO2** over its **expected working life**. (1) **AO2**

(4)

(b) AO2(12):AO3(3)

AO2: Twelve marks for calculating apportionment of overheads

AO3: Three marks for calculating marketing costs

Non-allocated overheads	East Town	Southvill	Northam
	£	£	£
Rent	45 000(1) AO2	24 000(1) AO2	6 000(1) AO2
Depreciation	20 000(1) AO2	18 000(1) AO2	12 000(1) AO2
Light and heat	18 000(1) AO2	9 600(1) AO2	2 400(1) AO2
Staff costs	18 200(1) AO2	11 200(1) AO2	5 600(1) AO2
Marketing costs	<u>25 000</u> (1) AO3	<u>17 500</u> (1) AO3	<u>7 500</u> (1) AO3
Total	126 200	80 300	33 500

(15)

(c) AO1:(5)

AO1: Five marks for recording given and calculated balances and calculating the revised departmental profits

	East Town	Southvill	Northam
	£	£	£
Revenue	500 000	350 000	150 000
Cost of sales	(300 000)	(195 000)	(75 000)
Gross profit	200 000	155 000	75 000
Overheads:			
Allocated	55 000	25 000	15 000 (1) AO1 All three
Apportioned	<u>126 200</u> (1of) AO1	<u>80 300</u> (1of) AO1	<u>33 500</u> (1of) AO1
	(181 200)	(105 300)	(48 500)
Profit (Loss) for the year	18 800	49 700	26 500 (1of) AO1 All three

(5)

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

Points against closure

Northam is making a profit if overheads are appropriated.

Northam has the highest gross profit to revenue.

Northam makes a positive contribution to the total profit of the business.

Points in favour of closure

The turnover of Northam is very small, only 15% of total turnover.

Resources might be better used if redeployed to other stores.

Can concentrate managing the other two stores

Decision

Candidates may conclude that it is/is not recommended to close the Northam store.

Candidates' decision should be supported by an appropriate rationale.

ACCEPT ANY OTHER VALID POINTS financial or non-financial

Level	Mark	Descriptor
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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
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4 (a) AO1:(2)

AO1: Two marks for explaining the term

Profitability is the **excess of income over expenditure** (1) AO1 compared to a factor such as **capital employed or revenue**. (1) AO1

Or

Is **ability to make profits** (1) AO1

MAX (2)

(b) AO1:(1) AO2(7)

AO1: One marks for recording revenue

AO2: Seven marks for calculating and recording figures or answers

(i)	gross profit as a percentage of revenue	$\frac{20\,000}{50\,000} \times 100 = 40\%$ (1) AO2
(ii)	inventory turnover (times per annum)	$\frac{30\,000}{(5\,000 + 7\,000)/2} = 5 \text{ times}$ (1) AO2
(iii)	profit for the year as a percentage of revenue	$\frac{9\,200}{50\,000} \times 100 = 18.4\%$ (1) AO2
(iv)	percentage return on capital employed.	$\frac{9\,200 + 300}{9\,000 + 6\,000} \times 100 = 63.33\%$ (1) AO2

(8)

(c) AO3(3)

AO3: One marks for calculating trade receivables

- The gross profit percentage of Alesha is **better** than the sector. **This may be because** of higher prices or lower cost of sales. (1) AO3
- Alesha does not turn her inventory over **as rapidly** as the sector. **This may be because** of higher inventory levels or higher prices charged. (1) AO2
- The profit for the year to revenue is **better** than the sector which **indicates that** Alesha is controlling her costs well. (1) AO2
- The return on capital employed is far **better** than the sector average **indicating that** Alesha is using less capital to generate her profit than other businesses. (1) AO2

Max (4)

(d) AO1:(2) AO2(5)

AO1: Two marks for recording given balances or calculating profit

AO2: Five marks for calculating income and expenses and correct use of balance

	£	£
Revenue		80 000 (1) AO2
Cost of sales		<u>(48 000)</u> (1of) AO1
Gross profit		32 000
less		
Depreciation	3 800 (1) AO2	
Loan interest	500 (1) AO2	
Other expenses	<u>15 050</u> (1) AO2	
		<u>(19 350)</u>
Forecast profit for the year		<u><u>12 650</u></u> (1of) AO1+w

(6)

(e) AO1:(3)

AO1: Four marks for identifying other financial and non-financial considerations

Possible considerations:

- Liquidity of the business. No information is available.
- Are the estimates realistic.
- Is there demand? Can 60% more children's clothes be sold.
- Will the bank extend the loan
- Loan interest rate could increase
- Greater pressure on Alesha managing a business twice the size
- Location of the business can it sustain a larger business
- Availability of skilled staff in the area
- Strength of brand loyalty built up

4 x **(1) AO1**

ACCEPT ANY OTHER VALID POINTS financial or non-financial

(4)

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

Points in favour of expansion

Alesha's profitability is high as a return on revenue or capital employed.

Possible opportunity to substantially increase profit.

Can extend the range of products on offer.

Points against expansion

The expansion doubles the workload on Alesha.

The projections are only estimates.

Greater risk that the demand is insufficient for the expansion.

Need more resources in staffing and services all of which will require management time.

Effect on cash flow, does she have enough funds to complete the expansion.

Decision

Candidates may conclude that it is/is not recommended to close expand the store. Candidates' decision should be supported by an appropriate rationale.

ACCEPT ANY OTHER VALID POINTS financial or non-financial

Level	Mark	Descriptor
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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
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5 (a) AO1:(4)

AO1: Four marks for defining the terms

(i) Direct expenses

Expenses that can be **identified with and allocated to cost centres or cost units (1) AO1**

These will consist of **raw materials, direct labour and direct expenses** such as royalties. **(1) AO1**

(ii) Semi-fixed cost

The cost is **constant over a range of activity**. Then the cost will increase **(1) AO1** and remain **fixed over a further range of activity** before increasing again/ stepped cost. **(1) AO1**

Mention of step cost **(1) AO1**

**MAX 2 marks
(4)**

(b) AO1:(5) AO2(12):AO3(3)

AO1: Five marks for recording given balances

AO2: Twelve marks for calculating and correct use of balance

AO3: Three marks for calculating purchases and manufacturing wages

Manufacturing Account for the month ending 30 September 2024

	£	£
Raw materials:		
Opening inventory	3 500 (1) AO2	
Purchases	<u>13 350</u> (1) AO3	
	16 850	
Closing inventory	<u>(5 240)</u> (5) AO2	
Cost of raw materials		11 610
Manufacturing wages		11 880 (2) AO3
Direct general expenses		<u>1 200</u> (1) AO2
Prime cost		24 690 (1of) AO1+W
		No aliens
Overheads:		
Management salaries	3 000 (1) AO2	
Indirect general expenses	2 400 (1) AO1	
Depreciation	2 000 (1) AO2	
Power and insurance	<u>800</u> (1) AO2	
		<u>8 200</u>
Total direct and indirect cost		32 890 (1of) AO1
Work in progress:		
1 September	3 230	
30 September	(2 120)	
		<u>1 110</u> (1) AO2
Cost of production		34 000 (1of) AO1+W
Profit on manufacture		4 000 (1of) AO2
Transfer to trading account		<u>38 000</u> (1) AO1+W

(20)

Workings

Manufacturing wages $12 \times 160 \times £6 = 11\,520$ [1]
 $5 \times 9 \times £8 = \underline{360}$ [1]
 11 880

Raw materials

	Purchases	Issues	Balance
Balance			140 @ £25 [1] = 3 500
Week 1	150 @ £25	100 @ £25	190 @ £25 [1] = 4 750
Week 2	60 @ £26	120 @ £25	70 @ £25 60 @ £26 [1] = 3 310
Week 3	180 @ £28	70 @ 25 60 @ £26 20 @ £28	160 @ £28 [1] = 4 480
Week 4	100 @ £30	80 @ £28	80 @ £28 [1] 100 @ £30 = 5 240
	= £13 350		= £5 240

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

Points for First In First Out

The closing value of the inventory will be close to the market/ replacement value of the inventory.

Recommended by IAS

It is accepted as a valid method by government and tax authorities.

Profit increases because the closing inventory will be higher.

Points against First In First Out

Issues to production or customers will be at the oldest (lower) prices.

The inventory could not be replaced for the cost at which it is issued.

Decision

Candidates may conclude that First In First Out is/is not appropriate to use in times of rising prices. Candidates' decision should be supported by an appropriate rationale.

ACCEPT ANY OTHER VALID POINTS

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
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6 (a) AO1:(6) AO2(3)

AO1: Six marks for recording given balances

AO2: Three marks for calculating cash banked and contra entry, opening and closing balances

Cash Book for the year ended 30 September 2024

Date	Details	Cash	Bank	Date	Details	Cash	Bank
		£	£			£	£
2023				2023			
1 Oct	Balance	500		1 Oct	Balance		1 300
	Trade rec'ables		19 200 (1)		Trade payables		9 000 (1)
	Cash sales	4 650 (1)			Wages	1 000 (1)	4 000 Both
	Cash		2 150 (1)		General expenses		2 080 (1)
					Rent	1 500	Both
					Equip		2 400 (1)
					Bank	2 150 (1)	
				2024			
				30 Sep	Balance	500	2 570
		<u>5 150</u>	<u>21 350</u>			<u>5 150</u>	<u>21 350</u>
1 Oct	Balance b/d	500	2 570 (1of)				

On debit side

19 200 (1) AO1, 4 650, (1) AO1 2 150 (1) AO2

On credit side

9 000 (1) AO1

both wages entries (1 000 and 4 000) (1) AO1

both entries (2 080, 1500), (1) AO1

2 400 (1) AO1

2 150 (1) AO2

All four opening and closing balances (1of) AO2

(9)

(b)(i) AO2(4)

AO2: Four marks for calculating and correct use of balance

	£
Trade receivables 30 September 2024	9 250 [1] AO2
Cheque receipts	19 200 [1] AO2
Cash receipts	<u>4 650</u> [1] AO2
	33 100
Trade receivables 1 October 2023	<u>(6 800)</u> [1] AO2
Sales for the year	<u><u>26 300</u></u> (4) AO2

(4)

(b)(ii) AO2(3)

AO2: Three marks for calculating and correct use of balance

	£
Trade payables 30 September 2024	3 100 [1] AO2
Cheques paid	<u>9 000</u> [1] AO2
	12 100
Trade payables 1 October 2023	<u>(4 350)</u> [1] AO2
Purchases for the year	<u><u>7 750</u></u> (3) AO2

(3)

(c) AO1:(3) AO2(2):AO3(3)

AO1: Three marks for recording given balances

AO2: Two marks for calculating and correct use of balance

AO3: Three marks for calculating cost of sales, general expenses and depreciation

**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 September 2024**

	£	£
Revenue		26 300 (1of) AO1
less		
Opening inventory	7 050	
Purchases	7 750 (1of) AO1	
	14 800	
Closing inventory	(5 150)	
Cost of sales		(9 650) (1of) AO3+W
Gross profit		16 650
Less		
Wages (1 000 + 4 000)	5 000 (1) AO2	
General expenses (2 080-280+600)	2 400 (1) AO3	
Rent (1 500 + 500)	2 000 (1) AO2	
Depreciation (12 000+2 400-10 500)	3 900 (1) AO3	
		(13 300)
Profit for the year		<u>3 350 (1of) AO1+W</u>

(8)

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

Points for NOT maintaining full double entry records

Cost is less and process is quicker.

Business is small and Najmul can keep track of his funds without a record system.

Points if favour of maintaining full double entry records

Details of purchases and sales on credit must be committed to memory.

Details of expenditures are not recorded.

Cannot produce regular income statements to help to manage the business.

Can reduce fraud.

Decision

Candidates may conclude that it is/is not preferable to maintain a full set of double entry records. Candidates' decision 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)

Q6	Total marks	30
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