



Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 2: Financial Statements

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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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------------|--|--|---|--|--|--|-----------|-----------|---------------------|--|--------|---------------------|--|--|--------|-------------------|--|--------|------------------|--|--|--|----------|--------|--|--|--------|--|---------------------|-----------------------------------|--|--------|-----------------|--|--|--------|--|---------------------|--------|--|---------------------|--|--|---------------|------------|
| 1 (a) | <p>Award marks as indicated with label.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Muneeb and Javeed</th> </tr> <tr> <th colspan="3" style="text-align: center;">Appropriation account for the year ended 31 March 2020</th> </tr> <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;">78 000</td> </tr> <tr> <td>Interest on capital</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td style="text-align: right;">10 000(1)</td> <td></td> </tr> <tr> <td>Javeed</td> <td style="text-align: right;">5 000(1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(15 000)</td> </tr> <tr> <td>Salary</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td></td> <td style="text-align: right;">(12 000) (1)</td> </tr> <tr> <td>Profit available for distribution</td> <td></td> <td style="text-align: right;">51 000</td> </tr> <tr> <td>Share of profit</td> <td></td> <td></td> </tr> <tr> <td>Muneeb</td> <td></td> <td style="text-align: right;">34 000(1of)</td> </tr> <tr> <td>Javeed</td> <td></td> <td style="text-align: right;">17 000(1of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>51 000</u></td> </tr> </tbody> </table> | Muneeb and Javeed | | | Appropriation account for the year ended 31 March 2020 | | | | \$ | \$ | Profit for the year | | 78 000 | Interest on capital | | | Muneeb | 10 000 (1) | | Javeed | 5 000 (1) | | | | (15 000) | Salary | | | Muneeb | | (12 000) (1) | Profit available for distribution | | 51 000 | Share of profit | | | Muneeb | | 34 000 (1of) | Javeed | | 17 000 (1of) | | | <u>51 000</u> | (5) |
| Muneeb and Javeed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Appropriation account for the year ended 31 March 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | | 78 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on capital | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Muneeb | 10 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Javeed | 5 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (15 000) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Muneeb | | (12 000) (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit available for distribution | | 51 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share of profit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Muneeb | | 34 000 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Javeed | | 17 000 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>51 000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question Number | Answer | Mark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|---------------------------------|---------------|---------------------|------------------------|--|--|-------------|----------------|-----------|-------------|----------------|-----------|--------------|-------------|-------|---------------|---------------------|------------------------|---------------|----------|----------------------|--|--------|----------------------|--|-------------|-------|--|-----------------|------------------------|--|--|---------------|--|--|---------------|--|--|--|--------------|-------------|-----------------------|------------|
| 1 (b) | <p>Award 1 mark for each correct figure as indicated plus 1 mark for correct dates and details.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6" style="text-align: center;">Current Account - Muneeb</th> </tr> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>1 April 2019</td> <td>Balance b/d</td> <td style="text-align: right;">5 750</td> <td>31 March 2020</td> <td>Interest on capital</td> <td style="text-align: right;">10 000 (1of)</td> </tr> <tr> <td>31 March 2020</td> <td>Drawings</td> <td style="text-align: right;">42 500 (1)</td> <td></td> <td>Salary</td> <td style="text-align: right;">12 000 (1)</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td style="text-align: right;">7 750</td> <td></td> <td>Share of profit</td> <td style="text-align: right;">34 000 (1of)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>56 000</u></td> <td></td> <td></td> <td style="text-align: right;"><u>56 000</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>1 April 2020</td> <td>Balance b/d</td> <td style="text-align: right;">7 750 (1of)</td> </tr> </tbody> </table> | Current Account - Muneeb | | | | | | Date | Details | \$ | Date | Details | \$ | 1 April 2019 | Balance b/d | 5 750 | 31 March 2020 | Interest on capital | 10 000 (1of) | 31 March 2020 | Drawings | 42 500 (1) | | Salary | 12 000 (1) | | Balance c/d | 7 750 | | Share of profit | 34 000 (1of) | | | <u>56 000</u> | | | <u>56 000</u> | | | | 1 April 2020 | Balance b/d | 7 750 (1of) | (6) |
| Current Account - Muneeb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | Details | \$ | Date | Details | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 April 2019 | Balance b/d | 5 750 | 31 March 2020 | Interest on capital | 10 000 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 March 2020 | Drawings | 42 500 (1) | | Salary | 12 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance c/d | 7 750 | | Share of profit | 34 000 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>56 000</u> | | | <u>56 000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 1 April 2020 | Balance b/d | 7 750 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question Number | Answer | Mark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------------|----------------------|--|--|---|--|--|--|--|----|----|----|---------------|--|--|--|---------------------------|--|--|--------------------|-----------------------|--|--|--|-----------|--|-------------------|--|-------------------|--------|--|--|-----------------------------------|---------|--|--|--|--|-------------------|--|-------------------|--|------------------|--|---------------------------|--|------------------|--|--|--|--|---------------------|---------------------|--|--|----------------------|-------------------------------|--|--|--|---------------|--|--|--|--------|--------|--------|--|-----------------|--------------------|-------------------|---------|-----------------|--------------------|--------------------|-------|--------------|--|--|---------|----------------------------|--|--|--|----------------|--|-------------------|--|----------------|--|----------------|--|-------------------------------------|--|--|----------------------|-------------|
| 1 (c) | <p>Award marks as indicated with label.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Muneeb and Javeed</th> </tr> <tr> <th colspan="4" style="text-align: center;">Statement of financial Position at 31 March 2020</th> </tr> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td colspan="4">Assets</td> </tr> <tr> <td>Non-current assets</td> <td></td> <td></td> <td style="text-align: right;">100 000 (1)</td> </tr> <tr> <td colspan="4">Current assets</td> </tr> <tr> <td>Inventory</td> <td></td> <td style="text-align: right;">46 475 (1)</td> <td></td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">34 590</td> <td></td> <td></td> </tr> <tr> <td>Allowance for irrecoverable debts</td> <td style="text-align: right;">(3 000)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">31 590 (1)</td> <td></td> </tr> <tr> <td>Other receivables</td> <td></td> <td style="text-align: right;">1 040 (1)</td> <td></td> </tr> <tr> <td>Cash and cash equivalents</td> <td></td> <td style="text-align: right;">1 145 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">80 250 (1of)</td> </tr> <tr> <td>Total assets</td> <td></td> <td></td> <td style="text-align: right;">180 250 (1of)</td> </tr> <tr> <td colspan="4">Equity and liabilities</td> </tr> <tr> <td colspan="4">Equity</td> </tr> <tr> <td>Equity</td> <td style="text-align: center;">Muneeb</td> <td style="text-align: center;">Javeed</td> <td></td> </tr> <tr> <td>Capital account</td> <td style="text-align: right;">100 000 (1)</td> <td style="text-align: right;">50 000 (1)</td> <td style="text-align: right;">150 000</td> </tr> <tr> <td>Current account</td> <td style="text-align: right;">7 750 (1of)</td> <td style="text-align: right;">(3 950) (1)</td> <td style="text-align: right;">3 800</td> </tr> <tr> <td>Total equity</td> <td></td> <td></td> <td style="text-align: right;">153 800</td> </tr> <tr> <td colspan="4">Current liabilities</td> </tr> <tr> <td>Trade payables</td> <td></td> <td style="text-align: right;">25 850 (1)</td> <td></td> </tr> <tr> <td>Other payables</td> <td></td> <td style="text-align: right;">600 (1)</td> <td></td> </tr> <tr> <td>Total equity and liabilities</td> <td></td> <td></td> <td style="text-align: right;">180 250 (1of)</td> </tr> </tbody> </table> | Muneeb and Javeed | | | | Statement of financial Position at 31 March 2020 | | | | | \$ | \$ | \$ | Assets | | | | Non-current assets | | | 100 000 (1) | Current assets | | | | Inventory | | 46 475 (1) | | Trade receivables | 34 590 | | | Allowance for irrecoverable debts | (3 000) | | | | | 31 590 (1) | | Other receivables | | 1 040 (1) | | Cash and cash equivalents | | 1 145 (1) | | | | | 80 250 (1of) | Total assets | | | 180 250 (1of) | Equity and liabilities | | | | Equity | | | | Equity | Muneeb | Javeed | | Capital account | 100 000 (1) | 50 000 (1) | 150 000 | Current account | 7 750 (1of) | (3 950) (1) | 3 800 | Total equity | | | 153 800 | Current liabilities | | | | Trade payables | | 25 850 (1) | | Other payables | | 600 (1) | | Total equity and liabilities | | | 180 250 (1of) | (14) |
| Muneeb and Javeed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statement of financial Position at 31 March 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current assets | | | 100 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inventory | | 46 475 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables | 34 590 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Allowance for irrecoverable debts | (3 000) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 31 590 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other receivables | | 1 040 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | | 1 145 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 80 250 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | | | 180 250 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | Muneeb | Javeed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital account | 100 000 (1) | 50 000 (1) | 150 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current account | 7 750 (1of) | (3 950) (1) | 3 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity | | | 153 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade payables | | 25 850 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other payables | | 600 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity and liabilities | | | 180 250 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question Number | Answer | Mark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|--|--|----|----|------------|--|--------|-------------------|--|--|----------------------------------|------------------|--|-----------------------|------------------|--|-------|-------------------|--|--|--|--------|--|--|--------|--------------------------|------------------|--|--------------------------|--------------------|--|--|--|------|------------------------|--|---------------------|------------|
| 2 (a) | <p>Award marks as indicated with label.</p> <table border="1" data-bbox="284 309 1315 898"> <thead> <tr> <th colspan="3" data-bbox="284 309 1315 389" style="text-align: center;">Hyat Manufacturing account for the year ended 31 December 2019</th> </tr> <tr> <th data-bbox="284 389 876 427"></th> <th data-bbox="876 389 1083 427" style="text-align: center;">\$</th> <th data-bbox="1083 389 1315 427" style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 427 876 472">Prime cost</td> <td data-bbox="876 427 1083 472"></td> <td data-bbox="1083 427 1315 472" style="text-align: right;">18 750</td> </tr> <tr> <td data-bbox="284 472 876 517">Factory overheads</td> <td data-bbox="876 472 1083 517"></td> <td data-bbox="1083 472 1315 517"></td> </tr> <tr> <td data-bbox="284 517 876 562">Depreciation - factory machinery</td> <td data-bbox="876 517 1083 562" style="text-align: right;">5 120 (1)</td> <td data-bbox="1083 517 1315 562"></td> </tr> <tr> <td data-bbox="284 562 876 607">Rent, rates and power</td> <td data-bbox="876 562 1083 607" style="text-align: right;">4 500 (1)</td> <td data-bbox="1083 562 1315 607"></td> </tr> <tr> <td data-bbox="284 607 876 651">Wages</td> <td data-bbox="876 607 1083 651" style="text-align: right;">15 250 (1)</td> <td data-bbox="1083 607 1315 651"></td> </tr> <tr> <td data-bbox="284 651 876 696"></td> <td data-bbox="876 651 1083 696"></td> <td data-bbox="1083 651 1315 696" style="text-align: right;">24 870</td> </tr> <tr> <td data-bbox="284 696 876 741"></td> <td data-bbox="876 696 1083 741"></td> <td data-bbox="1083 696 1315 741" style="text-align: right;">43 620</td> </tr> <tr> <td data-bbox="284 741 876 786">Opening work in progress</td> <td data-bbox="876 741 1083 786" style="text-align: right;">1 370 (1)</td> <td data-bbox="1083 741 1315 786"></td> </tr> <tr> <td data-bbox="284 786 876 831">Closing work in progress</td> <td data-bbox="876 786 1083 831" style="text-align: right;">(1 450)(1)</td> <td data-bbox="1083 786 1315 831"></td> </tr> <tr> <td data-bbox="284 831 876 875"></td> <td data-bbox="876 831 1083 875"></td> <td data-bbox="1083 831 1315 875" style="text-align: right;">(80)</td> </tr> <tr> <td data-bbox="284 875 876 898">Production cost</td> <td data-bbox="876 875 1083 898"></td> <td data-bbox="1083 875 1315 898" style="text-align: right;">43 540 (1of)</td> </tr> </tbody> </table> | Hyat Manufacturing account for the year ended 31 December 2019 | | | | \$ | \$ | Prime cost | | 18 750 | Factory overheads | | | Depreciation - factory machinery | 5 120 (1) | | Rent, rates and power | 4 500 (1) | | Wages | 15 250 (1) | | | | 24 870 | | | 43 620 | Opening work in progress | 1 370 (1) | | Closing work in progress | (1 450) (1) | | | | (80) | Production cost | | 43 540 (1of) | (6) |
| Hyat Manufacturing account for the year ended 31 December 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prime cost | | 18 750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Factory overheads | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation - factory machinery | 5 120 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent, rates and power | 4 500 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 15 250 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 24 870 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 43 620 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening work in progress | 1 370 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing work in progress | (1 450) (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (80) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Production cost | | 43 540 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question Number | Answer | Mark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------------|--|--|---|--|--|--|-----------|-----------|---------|--|-------------------|---------------|--|--|-------------------|-------|--|--------------------|---------------------|--|-------------------|----------------------|--|--|--|-----------------------|--------------|--|---------------------|----------|--|--|-------------------------|-------------------|--|-----------------------|------------------|--|-------|------------------|--|--|--|----------|---------------------|--|--------------------|------------|
| 2 (b) | <p>Award marks as indicated with label.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Hyat</th> </tr> <tr> <th colspan="3" style="text-align: center;">Income statement for the year ended 31 December 2019</th> </tr> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td></td> <td style="text-align: right;">68 000 (1)</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> </tr> <tr> <td>Opening inventory</td> <td style="text-align: right;">4 730</td> <td></td> </tr> <tr> <td>Cost of production</td> <td style="text-align: right;">43 540 (1of)</td> <td></td> </tr> <tr> <td>Closing inventory</td> <td style="text-align: right;">(5 180) (1fb)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(43 090) (1of)</td> </tr> <tr> <td>Gross profit</td> <td></td> <td style="text-align: right;">24 910 (1of)</td> </tr> <tr> <td>Expenses</td> <td></td> <td></td> </tr> <tr> <td>Administration expenses</td> <td style="text-align: right;">11 725 (1)</td> <td></td> </tr> <tr> <td>Rent, rates and power</td> <td style="text-align: right;">1 500 (1)</td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">5 000 (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(18 225)</td> </tr> <tr> <td>Profit for the year</td> <td></td> <td style="text-align: right;">6 685 (1of)</td> </tr> </tbody> </table> | Hyat | | | Income statement for the year ended 31 December 2019 | | | | \$ | \$ | Revenue | | 68 000 (1) | Cost of sales | | | Opening inventory | 4 730 | | Cost of production | 43 540 (1of) | | Closing inventory | (5 180) (1fb) | | | | (43 090) (1of) | Gross profit | | 24 910 (1of) | Expenses | | | Administration expenses | 11 725 (1) | | Rent, rates and power | 1 500 (1) | | Wages | 5 000 (1) | | | | (18 225) | Profit for the year | | 6 685 (1of) | (9) |
| Hyat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income statement for the year ended 31 December 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue | | 68 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of sales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening inventory | 4 730 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of production | 43 540 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing inventory | (5 180) (1fb) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (43 090) (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross profit | | 24 910 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration expenses | 11 725 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent, rates and power | 1 500 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 5 000 (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (18 225) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | | 6 685 (1of) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 2 (c) | <p>Award 1 mark for identifying the accruals concept and 1 mark for application.</p> <p>For example To comply with the accruals/matching concept (1) by matching revenues earned with the expenses incurred during the same period (1).</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 2 (d) (i) | <p>Award 1 mark for an introduction and up to 3 marks for development.</p> <p>For example Current (working capital) ratio has not changed however the Liquid (acid test) ratio has deteriorated (1). The business will struggle to pay its short-term liabilities (1) with its liquid assets (1) as the business is holding more inventory compared to last year (1).</p> | (4) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 2 (d) (ii) | <p>Award mark as indicated.</p> <p>No (1)</p> | (1) |

| Question number | Answer | Mark |
|-----------------|--|------------|
| 2 (d) (iii) | <p>Award 1 mark for identification of an improvement and up to 2 marks for justification.</p> <p>For example Negotiate better credit terms with suppliers (1) which will provide extra time to collect money from the customers (1) before paying suppliers (1).</p> | (3) |

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