Mark Scheme

Extra assessment material for first teaching September 2017

International GCSE in Accounting (4AC1/01)

Paper 1: Introduction to bookkeeping and accounting

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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	Answer	Mark
1	A	**(1)**
2	C	**(1)**
3	D	**(1)**
4	B	**(1)**
5	B	**(1)**
6	C	**(1)**
7	B	**(1)**
8	D	**(1)**
9	B	**(1)**
10	B	**(1)**

Question	Answer	Mark
11	**Award marks for each correct date, detail and amount in combination.**	

Rent expenses account

Date	Details	$	Date	Details	$
1 Dec 2017	Balance b/f	6 900 **(1)**	31 Dec 2017	Income Statement	7 200 **(1)**
10 Dec 2017	Bank	900 **(1)**		Balance c/d	600 **(1)**
		7 800			7 800
1 Jan 2018	Balance b/d	600 **(1of)**			

(5)

Question	Answer	Mark
12(a)	**Award 1 mark for a correctly stated purpose** **For example** • Owned and operated by the government • Objective is to serve the community • Raises money from public revenue (taxes, duties, etc.)	**(1)**

Question	Answer	Mark
12(b)	**Award 1 mark for each correctly stated example (Max 2 marks).** **For example** • Government Health Service • Tax authority	**(2)**

Question	Answer	Mark
12(c)	**Award 1 mark for each correctly stated characteristic** **(Max 2 marks).** **For example** • At least two partners • An agreement between the partners to share profits • Partners have unlimited liability	**(2)**

Question	Answer	Mark
13	**Award up to 2 marks for evaluative statements in favour of the introduction and up to 2 marks for statements against the introduction.** **Award 1 mark for a suitable conclusion.** **Sample answer** By introducing a computerised bookkeeping system the business owner will find that time will be saved **(1)** as the system will process the double entry without the need to make two entries **(1).** However there will be a cost **(1)** involved in this decision which may include the cost of training staff to use the system together with the cost of purchasing the system itself **(1)** Time saved may eventually cover the costs of purchasing the system and training staff. **(1)**	**(5)**

Question	Answer	Mark
14(a)	**Award 1 mark for each correct figure as indicated.** **Award 1 mark for all correct dates and details.**	

Trade receivables ledger control account

Date	Details	$	Date	Details	$
1 Jan 2017	Balance b/d	16 465	31 Dec 2017	Cash book	116 800 **(1)**
31 Dec 2017	Sales day book	128 000 **(1)**		Cash book	8 500 **(1)**
				Sales returns day book	4 300 **(1)**
				Journal	1 100 **(1)**
				Journal	700 **(1)**
				Balance c/d	13 065
		144 465			144 465
Jan 1 2018	Balance b/d	13 065 **(1)**			

(8)

Question	Answer	Mark
14(b)	**Award marks for each correct detail and amount in combination.**	

Provision for irrecoverable debts account

Date	Details	$	Date	Details	$
31 Dec 2017	Balance c/d	900	1 Jan 2017	Balance b/d	650 **(1)**
			31 Dec 2017	Income statement	250 **(1)**
		900			900
			1 Jan 2018	Balance b/d	900 **(1)**

(3)

Question	Answer	Mark
14(c)	**Award mark as indicated.** Current assets **(1)**	**(1)**

Question	Answer	Mark
14(d)	**Award marks as indicated** **Concept** Prudence **(1)** **Explanation** By not overstating the value of trade receivables **(1)**, hence ensures that a true and fair view is presented **(1)**.	**(3)**

Question	Answer	Mark
15(a)	**Award marks for each correct detail and amount in combination, on the correct side.**	

Provision for depreciation account – Motor vehicle

Date	Details	$	Date	Details	$
31 Dec 2016	Balance c/d	11 712	1 Jan 2016	Balance b/d	8 640 **(1)**
			31 Dec 2016	Income statement	3 072 **(1)**
		11 712			11 712
31 Dec 2017	Asset disposal	11 712 **(1)**	1 Jan 2017	Balance b/d	11 712 **(1of)**

(4)

Question	Answer	Mark
15(b)	**Award marks for each correct detail and amount in combination, on the correct side.**	

Asset disposal account

Date	Details	$	Date	Details	$
31 Dec 2017	Motor vehicle - cost	24 000 **(1)**	31 Dec 2017	Motor vehicle – provision for depreciation	11 712 **(1of)**
				Bank	9 000 **(1)**
				Income statement	3 288 **(1of)**
		24 000			24 000

(4)

Question	Answer	Mark
15(c)	**Award 1 mark for each correctly stated cause (Max 2 marks)** **For example:** • Wear and tear/usage • Technological change/obsolescence • Passage of time	**(2)**

Question	Answer	Mark
15(d)	**Award 1 mark for each correctly stated concept (Max 2 marks)** **For example:** • Accruals • Consistency • Prudence	**(2)**

Question	Answer	Mark
15(e)	<table><tr><th>Date</th><th>Account</th><th>Debit ($)</th><th>Credit ($)</th></tr><tr><td>1 January 2018</td><td>Motor vehicles</td><td>15 000 **(1)**</td><td></td></tr><tr><td></td><td>Bob's Motors</td><td></td><td>15 000 **(1)**</td></tr><tr><td colspan="4">Being purchase of new motor vehicle from Bob's Motors **(1)**</td></tr></table>	**(3)**

Question	Answer	Mark
16(a)	**Award marks as indicated.**	
	<table><tr><td>**Transaction**</td><td>**Business document**</td><td>**Book of original entry**</td></tr><tr><td>Paid cash for postage stamps</td><td>Petty cash voucher **(1)**</td><td>Petty cash book **(1)**</td></tr><tr><td>Credit customer returned goods</td><td>Credit note **(1)**</td><td>Sales returns day book **(1)**</td></tr><tr><td>Bought goods on credit</td><td>Purchase invoice **(1)**</td><td>Purchases day book **(1)**</td></tr></table>	**(6)**

Question	Answer										Mark
16(b)											

Date	Details	Discount allowed ($)	Cash ($)	Bank ($)	Date	Details	Discount received ($)	Cash ($)	Bank ($)
1 June	Balance b/d		60	1 050	12 June	AB Electrics	72 **(1)**		2 328 **(1)**
4 June	D Cook	80 **(1)**		1 520 **(1)**	18 June	Bank		800 **(1)**	
16 June	Cash Sales		1 850 **(1)**		26 June	Wages		960 **(1)**	
18 June	Cash			800 **(1)**	30 June	Balances c/d		150	1 042
		80	1 910	3 370			72	1 910	3 370
1 July	Balances b/d		150 *	1 042*					
			(1of for both)						

Mark: **(9)**

Question	Answer	Mark
17(a)	**Award 1 mark for each correct pair of entries** **Award 1 mark of for totals matching**	

Trial balance

	Debit $	Credit $
Bank overdraft		650
Drawings	24 200	
Equity		9 160
General expenses	9 150	
Loan		6 000
Loan interest	400	
Motor expenses	3 100	
Motor vehicle – cost	13 000	
Motor vehicle – provision for depreciation		5 120
Purchases	53 860	
Rent expense	6 500	
Revenue		96 580
Trade payables ledger control account		5 400
Trade receivables ledger control account	12 700	
Totals	122 910	122 910

(8)

Question	Answer				Mark
17(b)	**Error**	**Type of error**	**Account to be debited**	**Account to be credited**	
	A sales invoice, $380, had not been entered in the books.	Omission **(1)**	Trade receivables ledger control account **(1)**	Sales **(1)**	
	Motor repairs, $200, had been entered in motor vehicles cost account	Principle **(1)**	Motor expenses **(1)**	Motor vehicles cost **(1)**	**(6)**

Question	Answer	Mark
17(c)	**Award mark as indicated** $180 increase	**(1)**

Question	Answer	Mark
18(a)	**Award marks as indicated** $(2\,640) - (210 + 80)$ **(1)** $= (2\,930)$ **(1of)**	**(2)**

Question	Answer	Mark
18(b)	**Award marks as indicated** **Lily – Bank reconciliation statement at 30 November 2017**	
		$	
	Balance per cash book **(1)**	(2 930) **(1of)**	
	Unpresented cheques	(510) **(1)**	
	Uncredited banking	890 **(1)**	
	Balance per bank statement	(2 550) **(1)**	**(6)**
	(1)		

Question	Answer	Mark
18(c)	**Award up to 2 marks for correct explanation** A standing order is a fixed amount **(1)** whereas direct debit may be variable **(1)**.	**(2)**

Question	Answer	Mark
18(d)	**Award 1 mark for each correct reason (Max 2 marks)** **For example** • Insufficient funds • Cheque not signed • Words and figures differ • Out of date	**(2)**

Question	Answer	Mark
18(e)(i)	**Award marks as indicated** Lily has an overdraft **(1)** which means she is a debtor of the bank **(1)**	**(2)**

Question	Answer	Mark
18(e)(ii)	**Award mark as indicated** Current liabilities **(1)**	**(1)**